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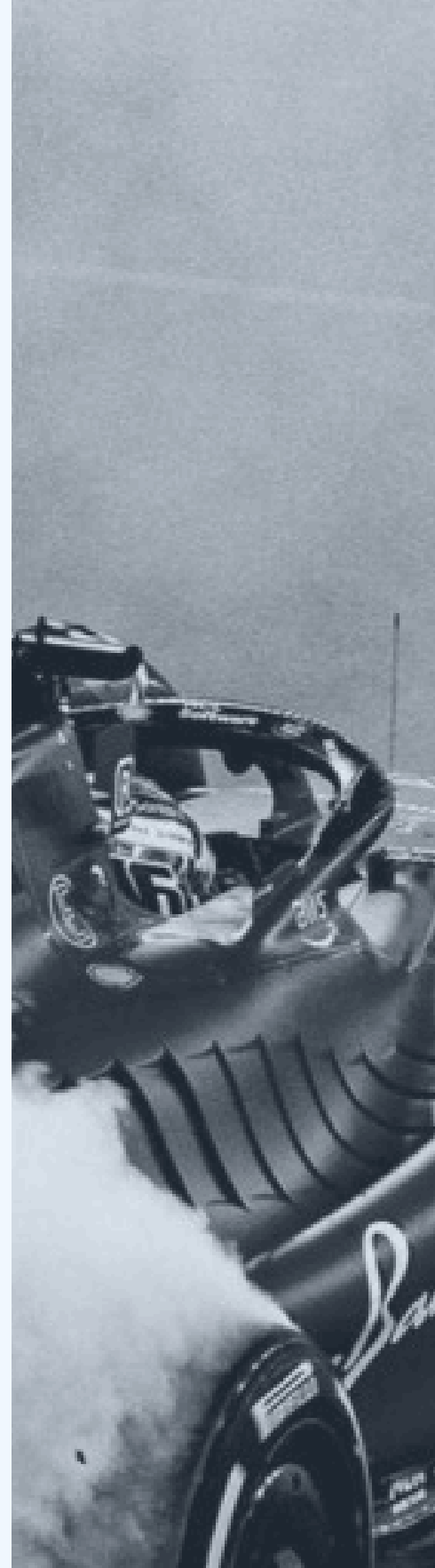


Cadillac F1 Team

The Big Dream

FINAL MASTER'S THESIS

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Executive Summary

This report presents a strategic blueprint for utilising Cadillac's Formula One (F1) entry to transform the Cadillac brand into General Motors' (GM) premier global performance brand. Taking a two-pronged approach, a comprehensive marketing plan is proposed for the Cadillac F1 team, along with a global repositioning strategy for the Cadillac brand. The report aims to highlight how sports can be leveraged to grow global brands.

Grounded in a comprehensive strategic analysis, the study combines qualitative research, secondary data, and a primary data survey of 129 international respondents. Results reveal Cadillac's strong global brand recognition but highlight significant perception gaps, particularly in Europe, where some perceive the brand as outdated. Entry into F1 is shown to dramatically improve brand perception, especially among younger, aspirational consumers.

Benchmarking against successful motorsport-driven brand transformations such as Mercedes-AMG, the report demonstrates that F1 offers Cadillac a dual opportunity: to elevate its brand prestige and to serve as a testing ground for advanced automotive technologies. The financial analysis supports this vision, projecting \$2.2 billion in combined revenue by 2030 from both the F1 team and a new line of high-performance Cadillac EVs to be developed using F1 technology. Profitability is expected by 2028, with combined net income exceeding \$650 million and margins approaching 30%.

Framed within GM's Total Flow Management (TFM) philosophy, Cadillac's F1 strategy is not a marketing stunt, but a long-term operational transformation. Formula 1's intense engineering demands align with TFM's focus on lean, cross-functional innovation and continuous improvement. As such, Cadillac's journey through F1 becomes a proving ground for future-facing technologies and a bold reassertion of American competitiveness in the global luxury performance market.

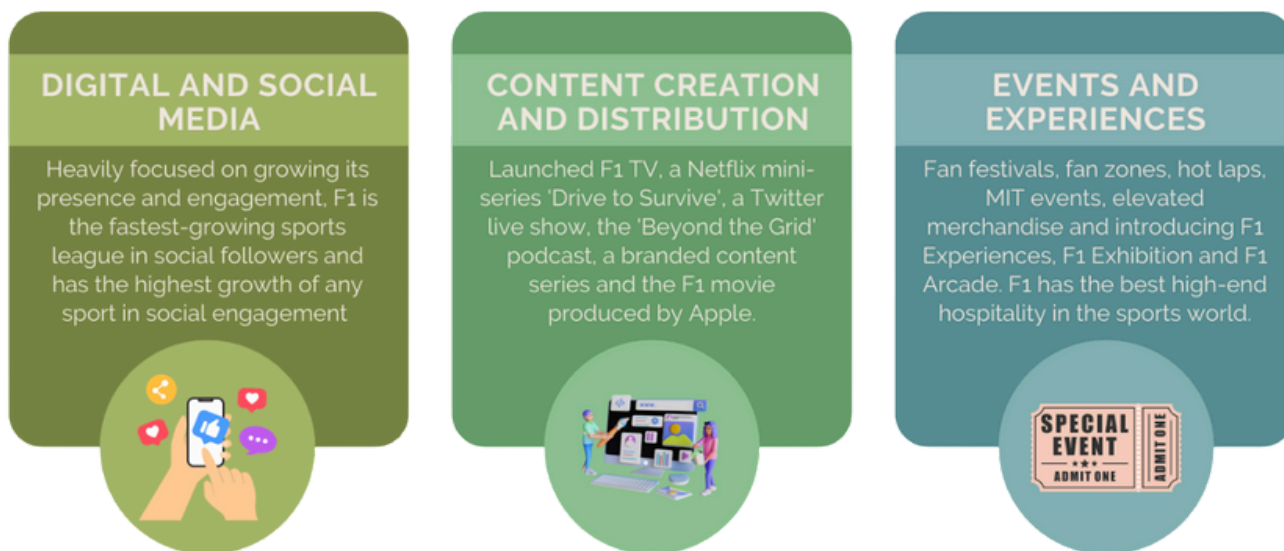
1. Introduction

Cadillac is poised for a transformation. Once the symbol of American prestige, its identity has become increasingly ambiguous amid shifting market demands. With Cadillac joining Formula One as the Cadillac F1 Team from 2026, there is an opportunity for the brand to reposition itself in the global automotive market. The world of sports not only provides entertainment to fans worldwide but also offers brands like Cadillac a platform to reinvent their global image and leverage their involvement in sports to reach the hearts of people. In this document, we examine the F1 ecosystem and Cadillac's current brand perception and propose a comprehensive marketing plan for the Cadillac F1 team. Additionally, we present a novel strategic idea for Cadillac to enhance its long-term sales of cars.

First, we would like to present an analysis of the Formula One Group's commercial strategy. Since Liberty Media acquired the Formula One Group, it has employed a multi-faceted approach to popularise the sport globally (Appendix A). It has a significant focus on enhancing fan engagement, expanding the race calendar, strengthening partnerships, and improving the sport's accessibility and appeal.



On-track improvements include the approval of new technical, sporting, and financial regulations designed to promote closer racing, more balanced competition, and economic sustainability. Efforts such as introducing a cost cap and more equitable prize distribution are aimed at making the business healthier for all teams involved. This has also helped bring the teams closer together competitively. F1 has also made efforts to improve existing tracks and add new tracks to the calendar.



F1's fan engagement strategy has not only improved its outreach but also helped diversify its fan base. A strategic focus is placed on attracting a more diverse audience, particularly women and younger fans. Initiatives like the F1 Academy aim to improve female participation and engagement. Meanwhile, the highly successful Netflix series 'Drive to Survive' has helped F1 garner a young and predominantly female audience. F1 has also associated itself with diversity initiatives, such as the Hamilton Commission and Mission44, which aim to help people from underrepresented backgrounds gain access to the resources necessary to work in Formula One someday.

Liberty Media has also worked very diligently on renewing key contracts with promoters, sponsors, and broadcast partners. F1 has announced new sponsorship agreements with major brands, including AWS, LVMH, Lenovo, American Express, and Qatar Airways, among others. They also partner with various broadcasters globally.



Formula One Social Media Comparison Chart

(All numbers in Millions of followers)

Name	Instagram	TikTok	Twitter/X	Total
Formula One	34.7	11.1	11.1	56.9
Ferrari	18.4	6.1	5.4	29.9
Mercedes	14.4	7.7	5.1	27.2
McLaren	15.1	6.5	4.3	25.9
Red Bull	13.3	6.7	4.7	24.7
Aston Martin	4.9	2.4	2.3	9.6
Alpine	4.5	1.9	2.3	8.7
Williams	4.4	1.2	2.1	7.7
Racing Bulls	3.5	1.5	1.7	6.7
Haas	3.2	0.870	1.7	5.77
Kick Sauber	2.8	0.573	1.5	4.87

We see that the big four teams in the sport garner the most followers on the three social media platforms, with the most considerable F1 fan base. Competing closely on and off the track, these teams follow very distinct social media strategies. While Mercedes primarily positions itself as the most technically innovative and advanced team in F1, Red Bull has firmly established itself as a marketing behemoth, regularly engaging in content partnerships and activations alongside its junior team, Racing Bulls. Ferrari's communication places a strong emphasis on the prestige and legacy of the Ferrari brand. In contrast, McLaren has recently adopted a more youth-focused approach, aided by its young and content-positive drivers.



FERRARI

Utilises the Ferrari brand account on YouTube and TikTok to showcase F1, road cars, and other racing series. YouTube videos get up to 75k views for 'Full Access' series covering BTS of race weekends and up to 2M for videos involving drivers. Always mention F1 technology when talking about their road cars.

KICK SAUBER

Youtube strategy is focused on new driver Gabriel Bortoleto with bi-monthly video series 'Rookie5'. Acquired by Audi from 2026, the focus is not on building brand presence for Sauber, instead to focus on drivers and personnel that will stay with the team after rebranding to Audi.



MERCEDES

Very technology and innovation-focused positioning. Post their signature race debriefs after every F1 race. 'F1 Uncovered' - explain complex technical aspects of their F1 cars to the audience in simple terms. They highlight innovative tech they have created in F1 and incorporate their latest road cars in videos involving the team's drivers getting upwards of 2.5M views.



HAAS

'Haas Unfiltered' - race week recaps and 'Taskmaster' - friendly driver challenges on YouTube averaging up to 50k views weekly with the team's 2025 car launch garnering 110k views. Uniquely use Spotify to release personalised race week playlists made by drivers as part of activation with partner Play'n Go Music.



MCLAREN

Most amount of partnerships in F1, with over 50 partners. Addition of Lando Norris, a charismatic driver with a content-positive attitude has attracted younger fans to McLaren. Post 2 monthly videos on YouTube getting up to 200k views. F1's new content restrictions led to cancelling of McLaren Unboxed, the most popular F1 related YouTube series.





RED BULL

Strong presence on YouTube with videos reaching up to 1.3 M views Red Bull regularly utilises its athlete network to do creative, unique and innovative marketing. Zero-gravity pit stops, F1 vs MotoGP, show runs, and drag racing an upside down plane are some of the innovative ways Red Bull challenges the capability of its F1 cars.

RACING BULLS

Being a youth team with young Red Bull academy drivers stepping up to F1, Racing Bulls has curated one of the youngest fan bases. The team usually does joint marketing activations with its senior team, Red Bull. Racing Bull's content is often youth-focused and more lighthearted.



ASTON MARTIN

Aston Martin's Youtube channel has around 286k subscribers, and they do not publish content in a consistent way, with one video per month and focused less on the daily life of the team, and more on showing collections with partners, or one-time events, such as the first of Adrian Newey in Aston Martin. They tend to do more VIP and corporate activations instead of fan-focused ones.



WILLIAMS

Most consistent YouTube channel with bi-weekly videos garnering up to 300k views. The content varies from a podcast with drivers 'Team Torque', conversations with other drivers and athletes like Lando Norris and Tom Brady, or post-race debrief with the team principal 'The Vowels' Verdict'. The team uses drivers likability and fan-forward attitude to keep the fanbase engaged.



ALPINE

Alpine gets really good engagement on its Instagram with posts averaging 137k likes. They also participate in videos on F1's official YouTube channel. Alpine's content focuses on driver personalities, fan interactions, and race-related content. The team also shines a light on its French Heritage and regularly invites and interacts with French celebrities and athletes.



Teams other than the big four primarily focus on a combination of driver-reliant marketing and fan-focused content. These teams often feature more playful content that involves the team drivers, allowing their personalities to shine through. In recent years, many young talents entering the sport have been involved with these teams, with teams like Sauber and Williams providing young F2 drivers a chance to step up to Formula One. Having these young drivers has helped the teams reach out to the younger and modern Gen-Z and Gen-Alpha fans through platforms like TikTok and Instagram.

Many of these teams have various forms of fan engagement ideas and loyalty or membership programs in place. For example, Williams allows fans to register for their membership club and rewards them with personalised digital driver cards. However, to access special edition helmets for the driver cards or other exclusive modifications, fans must pay a fee. This freemium model also helps these teams gauge the percentage of their dedicated fans (those willing to register for the loyalty program) who are also willing to spend extra money to access special fan benefits.

Some partnership activations are common across all teams in the paddock. Occasional giveaways of race tickets or exclusive factory tours often come with a “Company XYZ is giving you the exclusive chance” tagline attached. Many F1 team partners also create content for their own social media channels featuring the team drivers, although this depends on the terms of the partnership contract. For instance, Shell, a longtime partner of Ferrari, creates very consistent content with the Ferrari team drivers. While some brands opt for social media collaborations, others prefer creating TV advertisements. Taking the example of Ferrari again, Coca-Cola created an ad featuring the then-Ferrari drivers Charles Leclerc and Carlos Sainz. It used behind-the-scenes footage from the ad shoot to promote the advertisement on social media. Another widespread method of partner activation is using billboards in the markets where the brands want to advertise.

2. Literature Review

This chapter examines the literature on branding in motorsport, halo brand strategies, and the trickle-down effect of technology. Performance sub-brands such as Mercedes-AMG and BMW M serve as models, illustrating how Formula 1 success can translate into consumer desirability and brand prestige. McLaren and Ferrari have effectively built entire product lines from their racing pedigree. Cadillac's use of the Corvette C8 platform in this context represents a unique approach, blending American muscle with European performance precision.

Benchmark - The Mercedes success story:

Mercedes-Benz, the iconic German automotive brand commonly known as Mercedes, has been in operation for over 98 years. It is one of the best-known and longest-standing automotive brands in the world, and its slogan is "The Best or Nothing". From the creation of Mercedes-Benz in 1926 to today's well-established luxury market positioning, many aspects have evolved. One of these aspects is the creation of the Mercedes-AMG Petronas Formula 1 team and how this has helped Mercedes solidify its brand positioning worldwide.

The Mercedes-AMG Petronas Formula 1 team, commonly known as the Mercedes F1 team, has been involved in the sport since the pre-Second World War period, when it competed in the European Championship and won three titles. From 1954 onwards, Mercedes joined the Formula 1 paddock, where it produced the winning car for Juan Manuel Fangio to win two Drivers' Championships back-to-back - 1954 and 1955. However, Mercedes withdrew from the competition in 1955, in response to the 1955 Le Mans disaster, the most catastrophic crash in motorsport history, which resulted in the deaths of 83 spectators and a driver. The team would rejoin the sport in 1994, almost 40 years later, as an engine manufacturer. From then on, by working in partnership with McLaren until 2009, the engines powered three drivers' titles and one constructors' title. In 2010, however, the company decided to take a different direction - buying the Brawn GP team and rebranding it as Mercedes.

From then on, Mercedes has become one of the most successful teams in the sport's history, despite a nearly four-decade hiatus. However, the question remains - how did the Formula 1 team impact the brand's viewing among casual consumers, and what strategic impact did this move have?

Formula 1 is a sport where technology, skilled drivers, and strategic prowess combine to create an environment of intense competition. It's a constant battle not only on track, where the drivers display their capabilities and skills, but also a competition around which team of mechanics, engineers and strategists can put out the best possible piece of machinery on the car that will be used to race. It's a sport of technology and rationality, but also of emotion and drama, prestige or downfall. Mercedes spotted its opportunity within this sport and managed to bring its speciality - building and selling engines and cars to the public - and amplified its brand value through the connection with this sport. It allowed consumers to cheer for the team, giving it a sense of humanity. Supporters of the team develop an affinity for the brand that most automotive brands can only aspire to have. It stops being simply an automotive brand; it becomes a team that is competing for results, and the brand can create a storyline that people can easily follow and root for.

Being in Formula One also means being in direct competition against super automotive brands such as Ferrari, McLaren and Aston Martin. These are automotive brands that build luxurious cars that most people can only aspire to own. By showcasing its abilities against top cars and performing quite well in doing so, the team won eight consecutive constructors' titles from 2014 to 2021.



This achievement allowed Mercedes to demonstrate that it is on par with such competition, not only technologically but also in terms of quality. Formula One has also had a history of being considered a very elitist sport, although since its acquisition by Liberty Media, they have tried to change the narrative towards a more fan-centric approach. However, it does not erase the idea that the general public still has about the sport, and this is something that Mercedes was able to capitalise on.

Another favourable point for Mercedes is the usage of the sport as a dynamic testing ground for the innovations that eventually become part of the brand's road cars. This aligns with Mercedes' commitment to "push the boundaries of automotive engineering", which have been present since the very early stages of the company. However, through the sport, it allows for the innovations to be advertised as "Formula One" innovations, and that builds on top of the F1 brand as something more valuable.

Mercedes also capitalized on the recent Netflix documentary "Drive to Survive". The documentary follows the drivers and teams during the entire season, creating narratives that fans find interesting and can easily follow. It is one of, if not the biggest, drivers of the recent growth and popularization of the sport, after decades of reduced interest by the casual consumer. The documentary's widely accessible availability, coupled with a deeper dive into every driver on a more personal level, led to an expansion of the fan base for most teams. It allowed Mercedes to reap the marketing benefits of reaching individuals that might not have engaged with the brand previously or through the "traditional" racing channels. The documentary also allows Mercedes to narrate its own story and create emotional connections. This documentary exemplifies the modern intersection between sports, entertainment and marketing, showcasing the newest forms through which consumers are entering sports. Mercedes is an example of how it is possible to improve brand image, even raising it to the luxurious market, whilst still maintaining part of its consumer base and increasing brand exposure through sports.

Miami Grand Prix - A Place for Team Activation

Miami is one of the newest additions to the circuit calendar. It has been renewed on the calendar until 2041, marking one of the most significant extensions in the competition's history. It is a place that is frequently used for activations and serves as a good benchmark to understand how teams are trying to connect with both fans and partners, as well as what Cadillac can learn from this. This sub-chapter aims to highlight the specific activations that occurred during the Miami 2025 Grand Prix.

Companies that partner with Formula One or a specific team, such as in Miami, see an opportunity to offer VIP hospitality options to their employees, consumers, or potential future business partners. Teams also use this space to provide fans with the chance to experience the exhilarating Formula One atmosphere, as well as bring potential future partners to the Grand Prix and utilise that hospitality experience.



The 2025 Miami Grand Prix was no different to this. With so many important figures around, the brands / partners took the opportunity to activate in this Grand Prix. Lego, a Formula One partner, created a “Lego Drivers’ Parade”, where drivers raced in ten life-sized LEGO F1 cars. It was a playful and nostalgic moment, and fans loved it.

The Visa Cash App RB F1 Team had a 260o brand moment by launching a bright pink livery, merchandise, and suits in Miami, which was right on time for the release of the Red Bull Summer Edition drink. F1 Academy, a new feeder series for women to join Formula One, has partnered with Netflix US to create a premiere for the new show. Drivers showed off new, special helmets, with Lando Norris' helmet trying to imitate a disco ball, Alex Albon bringing an orange-themed helmet, and Liam Lawson sporting a retro vibe helmet. These were all on theme with what the Miami Grand Prix is supposed to be. The Alpine Formula One Team unveiled an exclusive collection ahead of the Miami GP, in collaboration with Duke and Dexter. Meanwhile, F1 Movie released a surprise album to promote the movie, which is coming to theatres in less than a month. Lastly, F1 Academy once again partnered with Enchanté, Daniel Ricciardo's brand, which has become the lifestyle partner of the RB Academy.

The list goes on, but these were some examples of the most impactful ones. On top of all the activations, the numbers are there for everyone to see: 2.5 billion impressions, over 85 million interactions, and € 106 million in earned media value. The top drivers who benefited from this specific race were Oscar Piastri (3.5M€), Charles Leclerc (2.1M€) and Lewis Hamilton (1.5M€). In terms of influencer interactions and EMV, notable influencers such as Lisa, Hailey Bieber, DJ Khaled, Nina Dobrev, David Beckham, Alexandra Mleux, and Luisa Fernanda are among the top earners.

All of this highlights the uniqueness of this Grand Prix and the importance of brands activating here, leveraging a combination of influencer power, entertainment, and emotional storytelling. Without this, it may be difficult to activate here and make yourself stand out from all the “noise”. Therefore, depending on the idea, the product to be sold, and the capacity for activation, the brands need to consider whether this is indeed the best place to do it.



Monaco Grand Prix - History and Prestige

The Monaco Grand Prix is an iconic race on the Formula One calendar. Because it is one of the oldest races in the calendar, it is frequently used for activations that focus more on history, prestige, and legacy. It is also the race with the highest fan engagement, despite most fans admitting that the race itself is not the most exciting - narrow roads and larger racing cars do not facilitate overtakes. However, it is still a race weekend with much buzz surrounding it, and activations are more focused on adjectives that relate to luxury, tradition, glamour, and prestige.

During the two most recent Monaco Grand Prix, various teams and brands/partners chose this circuit to activate, including McLaren, Aston Martin, and Tag Heuer, which served as the title sponsor for the 2025 Monaco Grand Prix.

In 2024, the McLaren F1 team created a one-off livery inspired by Ayrton Senna's iconic yellow, green and blue helmet to honour the 30th anniversary of his passing. This was done in partnership with OKX and the Senna Brand, celebrating Senna's legendary six victories at the circuit. As for Aston Martin, it partnered with Valvoline to launch a campaign centred on Originality. Both brands have a strong history and legacy, which they leveraged for brand storytelling and activation through fan engagement initiatives leading up to the race.

Tag Heuer intensified its involvement with the sport through its title sponsorship of the 2025 Monaco Grand Prix, leveraging the event's global appeal to reinforce its brand identity. The brand launched new products, including limited-edition Monaco chronographs, and collaborated with other high-end brands such as Louis Vuitton and Moët Hennessy.



3. Methodology

This study applies a qualitative research design, examining Cadillac's potential transformation through case studies, branding models, and strategic analysis frameworks (SWOT, PESTLE, BMC). Data is derived from academic literature, industry white papers, F1 governance reports, and GM press materials. This method enables a comparative analysis of Cadillac's branding pathway against successful motorsport brand integrations.

Additionally, primary data have been collected through a questionnaire. This survey has gathered 129 responses from more than 17 countries and a general population of adults. The questionnaire adopts a neutral approach to gender, featuring a balanced mix of female and male respondents. This questionnaire aims to understand people's views of Cadillac and how they change across age groups, genders, and Formula One followers compared to the general population. In addition, it attempts to analyse the impact that entering Formula 1 as a team may have on Cadillac's brand image.

Questionnaire findings & discussion:

The questionnaire gathered 129 responses, with the majority of respondents falling between the ages of 25 and 34 (43.4%), followed by those aged 45 years or older (27.1%). These two groups, together, comprise a total of 70.5% of the respondents, including more than two generations, who provided their input regarding the theme. We also have a good distribution between genders, with 43% of respondents identifying as female and 57% as male.

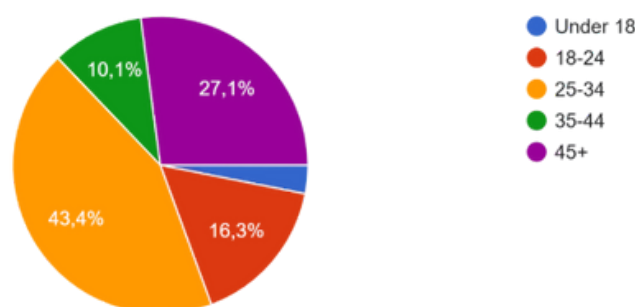


Figure 1 - What is your age?

We also conclude from the questionnaire that we were able to gather responses from 17 countries and four different continents: Europe, North America, South America, and Asia. Given that these four continents collectively account for approximately 6.8 billion people, which is roughly 84 per cent of the global population, we believe this study captures, to some extent, the perspectives of a significant portion of the world's populace. Out of the 129 responses, 65 were from Europeans (50%), which is a considerable number, as we are focusing our attention on rebranding Cadillac with a special emphasis on Europe.

We asked respondents about the frequency with which they watched Formula One to better understand the community members and those who do not. 53.5% of respondents reported not watching Formula One, 27.1% stated they watched fewer than 10 races per season, 7% watched 10 to 20 races per season, and 12.4% watched more than 20 races per season. Additionally, only 17.8% of the respondents reported having attended a Formula One race at least once in their lives. Interestingly, out of the 23 people who state that they have attended a Formula One race, seven state that they do not follow F1, equivalent to 30% of the sub-population. The reasons may differ depending on the age of the respondent. For instance, if it is a younger person (18-24), it may have been taken up by their parents at a younger age, but they never ended up pursuing the sport. If it is an older person (45+), they may have attended a race in the past, when tickets were less expensive, or the sport was airing on public television, making it easier to follow and keep up with. Regardless of the reasons, it is still interesting to note that one cannot argue that there is a direct correlation between attending a race and following the sport. However, some indicators suggest attending a race may serve as a gateway to start following the sport, or vice versa, as 70% of race attendees report watching some races.

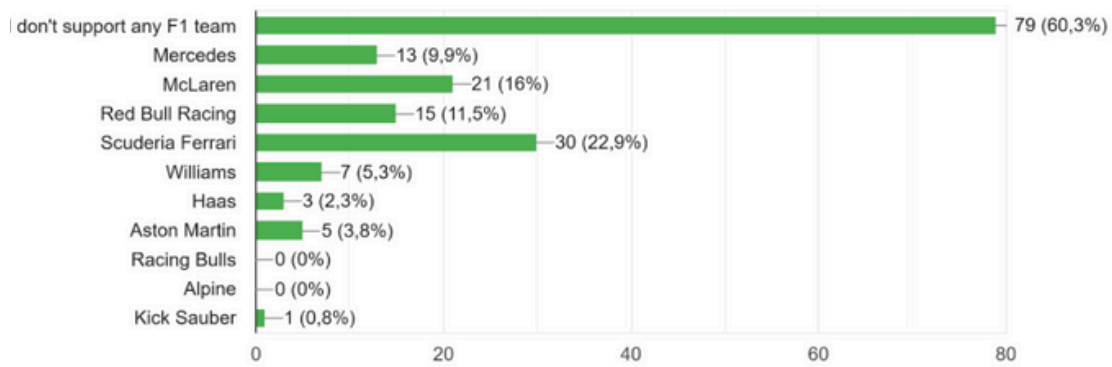


Figure 2 - What team do you support?

Regarding teams, the majority of the population who took the survey stated that they did not support any specific team (60.3%) - this may be because many people who previously said they do not follow Formula One. However, even for those who do not follow Formula One, the most followed teams are still Scuderia Ferrari, probably due to its history and brand presence in the sport, and McLaren and Red Bull Racing tied in second. This may demonstrate both brands' power outside of the sport, with Red Bull being present in other sports and industries, and McLaren being a powerhouse in the luxury car industry.

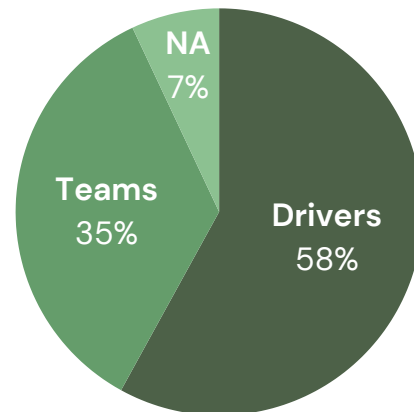
If we zoom in a bit more on those that follow Formula 1, Ferrari and McLaren appear closer together - 15% of respondents say they follow the Italian team, whilst 17% follow the orange team. Red Bull and Mercedes follow right behind, with 8% and 10% respectively. These are the teams that have had the best performances on track for the last 3 seasons (Formula 1, 2025). However, when we focus this analysis on age gaps, we find that McLaren maintains 17% of supporters, while Ferrari drops three percentage points to 12% among respondents between 18 and 34. On this age gap, Mercedes rises to 12% and Red Bull drops to 7%.

On the other hand, compared to those that are older than 35, Ferrari and McLaren are both tied at 17%. This may indicate that McLaren is having a greater impact among younger generations and maintaining its appeal among older generations due to its history. With this in mind, McLaren's strategies may serve as a good benchmark.

Preference: Teams, Drivers, or Neither?

A major focus on the drivers becomes more evident as the audience gets younger - 72% of the 18-34 audience prefers to follow drivers over teams.

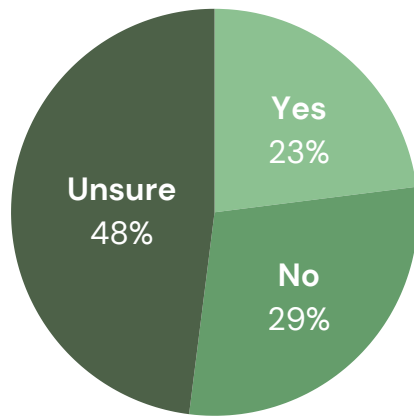
Takeaway: The increasing importance of drivers' likability.



Interestingly, when we look at people's primary interest regarding F1, drivers take about 36.6% of the pyramid, against 19.1% of teams, showing that in the complete survey's universe, people tend to follow pilots and their doings rather than being "faithful" to one team, versus what usually happens in other sports such as football. However, if we only analyse those that state that follow Formula One, this difference becomes even steeper. Instead of a difference between 36.6% and 19.1%, we now have a difference of 23%, with 58% of the followers preferring to follow the drivers versus 35% who follow the teams. This number becomes even more disparate when we compare the younger generations (from 18 to 34), where 72% prefer to follow the drivers versus the teams. This may be one of the results of the documentary Drive to Survive, which closely follows the drivers and helps fans create an emotional connection with them, rather than seeing them as simply "helmets" driving on the weekend. All of this demonstrates that in motorsport, it is necessary to choose pilots not only for their prowess, skills and capacity, but also for their likability with fans. It may even serve as a strategy to "steal" fans from other teams, which will help in terms of revenues during the contractual time in which a driver is with a team.

Besides understanding people's ideas about Formula One and its aspects, it also focused on a more detailed section on Cadillac. The following section of this discussion will focus on this specific aspect.

When directly asked if they knew of the brand Cadillac, only 13% of respondents stated they had no idea what the brand was, which suggests a high level of brand awareness worldwide. However, when asked if they had ever seen a Cadillac car in Europe, specifically, 23% of people



Have you ever seen a Cadillac car in Europe?

Significant global presence: Only 13% of respondents reported being unfamiliar with the brand. 48% were unsure if they had seen a Cadillac in Europe, though.

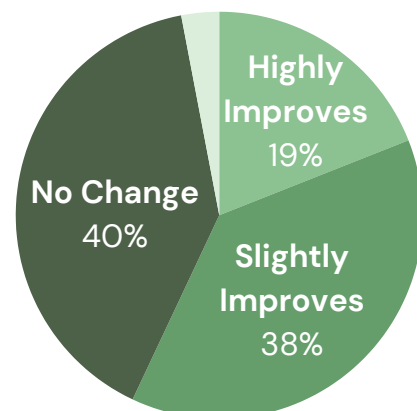
Takeaway: Although Cadillac has brand awareness, brand familiarity is lacking.

stated they had seen one, 29% never had seen one, but an astonishing number, almost half of the population (48%), was unsure if they had seen a Cadillac car in Europe. These numbers change slightly when comparing the different continents, with Europeans stating that 48% are not sure - interestingly, the same percentage as the general population. North Americans report that 53% have never seen it, and 64% of South Americans also report being unsure. We can conclude from this that most people are uncertain because, although they are familiar with the brand, they are not sufficiently aware of it to recall it. If asked about competitors such as Aston Martin, Porsche, Ferrari or Lamborghini, these numbers would be different, with people being able to recall if they had seen these cars on the streets of Europe. In addition, one can argue that competitors have a significantly larger presence in Europe, as they are European cars, and that this comparison is not entirely fair, given that Cadillac is an American brand. Either way, it does show that the consumer is not aware of the brand in Europe, and that Cadillac must work on this to compete directly with other luxury car brands.

Change in participants personal view of Cadillac after F1 entry

The perception of more than half of the population improves after learning that Cadillac will enter Formula One, including those who do not follow the sport.

Takeaway: Cadillac's entry into Formula 1 has had a positive impact on public perception. Being associated with the sport enhanced the brand's image.



Interestingly, we now have 74% of respondents stating that this move will have a positive impact on their brand image in Europe, compared to the 57% impact it had previously. One can argue that, personally, the respondent may not perceive a significant difference in the brand's value as a result of this move. However, they still believe that entering Formula One can serve as a good strategy to improve the brand's image on the Old Continent. This becomes even more evident when we understand that both those that follow and those that do not follow Formula One were asked to respond to this part of the survey, concluding that even those that do not care much for the sport, still see it positioned in a great spot to help brands improve their image.

Lastly, the questionnaire asked what would be necessary for the respondents to consider buying a Cadillac in the future. The majority stated "stronger performance/reliability" (44.5%), "Competitive pricing compared to European luxury car brands" (41.3%), and "Modern design" (37.4%). In addition, 21% of European respondents also stated that "Better visibility in Europe" would be an essential factor when thinking about buying a Cadillac in the future. Cadillac already positions itself as a luxury car maker with more affordable prices, and asking for competitive prices either suggests that people are not very familiar with Cadillac's positioning, as it is a brand they do not know well, or that the brand is not doing a good job of conveying this effectively. Modern design addresses the "outdated" feeling that some respondents reported, and entering Formula One might be the perfect opportunity to develop cars with a more "edgy" and "modern" feel. Lastly, Formula One is also the ideal place to help improve the "stronger performance/reliability" point, as seen with the Mercedes Case study discussed previously.

In conclusion, we can assume that Formula One is seen by those that watch and those that do not follow it's a place to improve brand image in Europe, show an alignment with the strategies of better performance and more modern designs, and/or display what Cadillac's values and vision are on a big platform. This entry appears to be a great way to enhance the overall brand's image, and the questionnaire supports that sentiment.

When asked about the qualities they associate with Cadillac, most of the people interviewed responded that they associate Cadillac with Luxury (65.8%), American Heritage (53.5%), and Prestige (32.3%). However, another adjective that ranked somewhat high was "Outdated" (16.8%), which may be one of the issues compromising the brand's image. Many associate the car with old American movies, classics, or think that the brand has become somewhat irrelevant.

Words people associate with Cadillac



We then asked the respondents to state how, in their opinion, the brands entering the Formula 1 paddock would affect their perception of the brand. Nineteen per cent of respondents believe it will significantly improve their perception, 38% say it will slightly improve, 40% say it will not change their perception of the brand, and 3% say it will slightly worsen their perception. No one stated that this move would significantly worsen their perception of the brand. With more than half of the population stating that this move would have a positive impact on their perception, it appears to be a good move by the brand in terms of its brand image. This can be confirmed with the following survey question, which asked respondents how they thought Cadillac's entry in Formula One would affect the brand's image in Europe. This time, 30% stated that they felt it would significantly improve the brand's image, 54% slightly improve, 20% neutral, and 2% slightly worsen.

4. Strategic Analysis

Cadillac's transformation is analysed through its presence in other motorsports categories, the brand's go-to-market strategy, and the application of PESTLE and SWOT analysis. Through this research, it becomes easier to understand the brand's record in competitions similar to F1, its market approach, and the internal and external factors that may impact its business over the upcoming years.

Cadillac's racing heritage:

Cadillac, a brand synonymous with luxury and innovation, has a storied history in motorsports that spans over seven decades. From its early presence in endurance racing to its dominance in modern sports car championships, Cadillac has consistently leveraged racing as a platform to showcase its engineering prowess and to refine technologies that trickle down to its production vehicles.

The brand was launched in 1902, and almost five decades later, a bold decision was taken as an attempt to expand Cadillac's presence into new markets. They were going to participate in the 1950 24 Hours of Le Mans, their inaugural venture into international motorsports. Under the leadership of American entrepreneur Briggs Cunningham, two Cadillac Series 61 cars were entered into the race. One retained its stock appearance, while the other was a radically modified aerodynamic version, nicknamed "Le Monstre" (Planet F1, 2025). This audacious move not only demonstrated Cadillac's commitment to performance but also set the tone for its future in racing. Regarding their performances, "Le Monstre" finished the race in 11th place, and the other, called "Petit Pataud", finished in 10th position.

After a period of limited racing activity, Cadillac returned to the motorsport arena with the Northstar LMP program in the early 2000s. Competing in Le Mans once again, the Northstar LMP was Cadillac's attempt to challenge European dominance in prototype racing. For the first year (2000), they partnered with the prototype constructors Riley & Scott, but things didn't go as expected. Their four cars had disappointing finishes: 19th, 21st, 22nd and DNF (did not finish).

It was obvious that a lot of things needed to change and so, with new staff and partners, they were able to compete with two cars, which finished 8th and 12th in the year of 2001. Two years later they finally had a new car to fight for the podium, the LMP-02, but GM decided to not compete anymore (Hagerty, 2024). Despite its ambitious goals, the program faced stiff competition and concluded after three seasons, providing valuable lessons for future endeavors.

Despite previous frustrations, great moments were about to happen in the next chapter of Cadillac's path into racing adventures. Their most sustained success came in the Pirelli World Challenge, where they competed with the CTS-V and later the ATS-V.R. Between 2004 and 2017, Cadillac secured 33 wins, 121 podium finishes, and 25 pole positions. As a team, they won the PWC manufacturers' championships in 2005, 2007, 2012, 2013, and 2014, while their drivers earned the World Challenge drivers' championship in 2005 with Pilgrim and in 2012, 2013, 2014, and 2015 with O'Connell (Autoweek, 2017). All these achievements solidified its reputation as a formidable competitor in GT racing. This period was instrumental in re-establishing Cadillac's performance credentials and in promoting the V-Series line of high-performance vehicles.

Even though they had had successful years, it was time for a change in strategy. Cadillac wanted to concentrate its efforts on prototype sports car racing. In 2017, they made a significant return to prototype racing with the DPi-V.R, competing in the IMSA WeatherTech SportsCar Championship. The car achieved immediate success, winning its debut race at the 24 Hours of Daytona. The only thing in common between the Northstar LMP and the DPi was the V-8 engine, as the latter "won" 27 times, had 80 podium appearances, three manufacturers', three drivers and three team championships during the 6 years it competed (Hagerty, 2024). As mentioned before, the DPi-V.R amassed numerous victories and championships, showcasing Cadillac's engineering excellence and competitive spirit.

Building on the success of the DPi-V.R, Cadillac introduced the V-Series.R in 2023, aligning with the new Le Mans Daytona Hybrid (LMDh) regulations. This hybrid prototype competes in both the IMSA WeatherTech SportsCar Championship and the FIA World Endurance Championship. Notably, the V-Series.R secured a podium finish at the 24 Hours of Le Mans, marking Cadillac's best performance at the iconic race to date, and also earned the IMSA GTP Manufacturer Championship and IMSA Endurance Cup in 2023 (Cadillac's website - Racing Heritage).

Cadillac's persistent involvement in motorsports has had varied impact. First, the technological advancement, as racing has served as a testbed for Cadillac to develop and refine technologies, particularly in aerodynamics, powertrain efficiency, and hybrid systems, which have influenced its production vehicles. Then, there's the brand reinforcement, strengthened by the success on the track that has bolstered Cadillac's image as a performance-oriented brand, enhancing its appeal in global markets. Another impact is the market expansion, with the participation in international events like the 24 Hours of Le Mans elevating Cadillac's profile, aiding its efforts to penetrate markets beyond North America.

Its journey through the motorsport world reflects a commitment to excellence, innovation, and competitiveness. From the fearless debut at Le Mans in 1950 to its current efforts in global endurance racing, Cadillac has continually pushed the boundaries of performance. These racing pursuits have not only yielded on-track success but have also played a crucial role in shaping the brand's identity and technological direction.

Go-to-market strategy:

Cadillac, the luxury automotive brand under General Motors (GM), has long been a symbol of American prestige and innovation. Over its century-long history, Cadillac has employed various go-to-market (GTM) strategies to reposition itself against evolving consumer preferences, increased foreign competition, and technological transformation. In recent years, Cadillac's GTM strategy has focused on three pillars: brand repositioning, electrification and innovation and a global market approach, supported by premium dealership experiences and digital transformation.

Historically perceived as a brand for older, affluent American consumers, Cadillac has undergone a significant image overhaul to attract a younger, global, and more tech-savvy audience. This strategic shift began with a move of Cadillac's headquarters from Detroit to New York City in 2015, aiming to place the brand closer to luxury and fashion influencers. Although Cadillac returned to Michigan in 2018, the move signaled its intention to step away from its traditional image and reassert itself in the luxury market. The only problem is that they thought that it was necessary more than branding and marketing efforts: they needed the right products (Forbes, 2018), therefore it was better being closer to Detroit.

In terms of product design and marketing, Cadillac launched the “Dare Greatly” campaign at the 87th Academy Awards in 2015, positioning itself as a challenger to European luxury brands such as BMW, Audi, and Mercedes-Benz. The campaign, inspired by Chrysler’s commercial during the Super Bowl four years before, marked a new GTM philosophy rooted in emotional brand storytelling (Forbes, 2015).

In line with global industry trends, Cadillac has adopted electrification as a core element of its global marketing and sales strategy. GM designated Cadillac as its lead electric vehicle (EV) brand in 2019, with the goal of positioning the brand at the forefront of the group’s EV transition (Electrek, 2019). The launch of the Cadillac LYRIQ, the company’s first all-electric vehicle, in 2022 was a strategic milestone aimed at redefining Cadillac’s identity around sustainability, performance, and high-tech luxury.

Cadillac’s GTM approach in EVs emphasises exclusivity and innovation. The LYRIQ was initially offered via a reservation model, creating scarcity and buzz, with all 2023 models sold out within minutes of pre-orders opening (Teslarati, 2021). The brand has also introduced the Celestiq, an ultra-luxury, hand-built electric sedan priced over \$300,000, offering extensive customisation and artisanal craftsmanship (GM, 2022). This high-end EV strategy allows Cadillac to differentiate from mass-market EVs while justifying premium pricing.

Furthermore, Cadillac leverages GM’s Ultium battery platform as a technological advantage, promoting extended range, modularity, and performance (Motortrend, 2022). This technology-centric narrative is at the core of Cadillac’s GTM strategy, highlighting cutting-edge innovation to attract tech-forward luxury buyers.

Cadillac’s GTM strategy also includes geographic diversification, particularly in the Chinese market, currently the brand’s largest. As of 2022, China accounted for 194,000 Cadillac sales, outpacing the United States (GM Authority, 2023). GM invested heavily in the SAIC-GM joint venture to produce and sell Cadillac models locally, ensuring price competitiveness and adaptation to Chinese consumer preferences. Cadillac’s GTM approach in China involves localised marketing, digital-first retail channels, and model offerings tailored to regional tastes. For example, Cadillac offers long-wheelbase versions of sedans like the CT6, which is seen as a status symbol by the Chinese (The Drive, 2023).

Despite its success in China, Cadillac has faced challenges in expanding further into Europe, where attempts to position itself against German incumbents like Audi and BMW have historically struggled due to brand perception and limited dealership networks. This is why GM sold its European operations in 2017 (Motortrend, 2024). As part of its renewed global strategy, Cadillac reconsidered re-entering select European markets through electric vehicles (EVs), which offer a more level playing field due to new technology and evolving customer expectations.

Another critical aspect of Cadillac's GTM execution is the transformation of its dealership experience. In 2020, GM offered Cadillac dealerships in the U.S. the option to exit the brand if they chose not to invest in EV-related upgrades. Around 150 dealerships accepted the buyout, reducing the network but improving alignment with the brand's EV and luxury strategy (Carscoops, 2020). The remaining network is expected to deliver enhanced customer experiences, featuring boutique showrooms, digital sales tools, and concierge services.

Cadillac's retail approach increasingly integrates online and offline experiences. Customers can now configure vehicles, schedule test drives, and finalise purchases online—a shift accelerated by the COVID-19 pandemic and aligned with broader automotive retail trends. This hybrid sales model enables Cadillac to minimise friction in the customer journey while appealing to a younger demographic that is comfortable with digital transactions.

Regarding Cadillac's GTM communication strategy, it is segmented by target personas: tech-savvy luxury buyers, environmentally conscious consumers, and design-forward early adopters. The brand leverages digital channels, influencer partnerships, and immersive brand experiences to engage these segments. Cadillac's participation in events like CES (Consumer Electronics Show) further signals its pivot toward innovation and lifestyle branding, rather than being present only in traditional auto shows (GM, 2022).

Cadillac's go-to-market strategy has evolved to reflect a bold, innovation-driven repositioning centred on electrification, global expansion, and a luxury experience. Although challenges remain, especially in Europe and among electric vehicle (EV) competitors, Cadillac's strategy reflects a clear vision tailored to 21st-century luxury expectations.

External factors influencing the Cadillac F1 Team:

The Cadillac F1 team's debut and repositioning of the Cadillac brand occur within a global socioeconomic environment. Strategic alignment with this environment is essential for Cadillac to ensure success. Analysis using the PESTLE framework (Appendix D) provides an understanding of the considerations Cadillac needs to take into account as it prepares to become a part of the pinnacle of the motorsport industry.

Cadillac faces policy barriers and strategic opportunities in the political sphere. As an American company, one of the biggest speedbreakers in Cadillac's race to enter F1 is the tariffs imposed on automobile and automobile equipment imports into the United States. If Cadillac chooses to primarily use its facilities in the US primarily, localising key manufacturing will be of vital importance. Else, Cadillac can take inspiration from the fellow American team Haas, which manufactures various components of its car across three facilities in the US, UK and Italy. Victory for Cadillac will depend on its ability to turn its challenges into strategic platforms.

Joining Formula One is a high-risk, high-reward endeavour. Investing in F1 requires huge upfront investments, as evidenced by the € 450 million entry fee that Cadillac had to pay to the current 10 F1 teams. However, the long-term rewards are indeed worth the cost. An F1 entry gives Cadillac the ability to spread its R&D from F1 across its consumer and other racing products, and a strong showing in F1 can produce millions in indirect brand value.

The social climate is perhaps one in which Cadillac stands to see the quickest benefits. The past few years have witnessed a significant cultural shift in what is considered aspirational among younger demographics. Formula 1 is now known to a much larger audience than it was 10 years ago, and a majority of this audience considers it aspirational to attend an F1 race. In terms of road cars, high-performance EVs are status indicators and markers of innovation. Heritage brands are increasingly viewed through a technical lens. In this environment, Cadillac carries the social baggage of being perceived as a brand with outdated technology and irrelevance to younger global audiences. Entering F1 provides Cadillac with a chance to write a new chapter, tell a new story, and achieve cultural legitimacy.

In terms of technology, GM provides Cadillac with the real firepower. GM are the pioneer of technology such as Ultium batteries and can give the Cadillac F1 Team access to Corvette mid-engine architecture and deep motorsport engineering know-how. With F1 being a constructors' championship, the team's biggest aim will be to design differentiators in its turbo-hybrid engines and aerodynamics. Cadillac needs to innovate for the future, with innovation cycles that encompass both racing technology and its road car program.

Legally, the transition is protected by F1's admissions and compliance structures, including the Concorde Agreement and intellectual property and licensing rights. Cadillac must negotiate not only for sporting legality but also for brand control, so that Cadillac can preserve its strategic independence and intellectual property. Cadillac's legal approach must be driven by capturing regulatory advantage through leadership in compliance and translating any legal burdens into brand differentiation.

The green angle is where Cadillac can play its boldest strategic card. Motorsports are often criticised for their environmental extravagance. Cadillac, through F1, can flip this on its head by marketing racing as a testing bed for green technology. If the Cadillac F1 initiative becomes a centre of carbon-efficient technologies, sustainable materials, and energy recovery systems that are channelled directly into road cars, it can be the "performance-for-purpose" benchmark, and this effort must be sincere and not performative. Sustainability KPIs need to be embedded across all phases, from race team operations to supply chain strategy.

SWOT Analysis

<p style="text-align: center;"><u>STRENGTHS</u></p> <ul style="list-style-type: none"> - Backing by General Motors (GM) - Strategic Partnership with Ferrari - Expansion of F1's American Footprint 	<p style="text-align: center;"><u>WEAKNESSES</u></p> <ul style="list-style-type: none"> - Lack of F1 Experience - Risk of U.S.-Centric Branding in a Global Sport - Brand Transition Challenges
<p style="text-align: center;"><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> - Technological Innovation and Transfer - Talent Acquisition and Development - Enhanced Global Visibility 	<p style="text-align: center;"><u>THREATS</u></p> <ul style="list-style-type: none"> - Intense Competition - Regulatory and Technical Challenges - Economic Uncertainty - Unstable FIA

Cadillac's strategic entry into Formula 1 represents a bold move to redefine its brand identity and compete in the high-performance automotive segment. While the venture offers numerous opportunities for technological advancement, market expansion, and brand elevation, it also presents significant challenges, including intense competition, substantial investment requirements, and the need to navigate complex technical and regulatory landscapes. Success will depend on Cadillac's ability to leverage its strengths, mitigate weaknesses, capitalise on emerging opportunities and proactively address potential threats. Here is a summary of the SWOT analysis; the complete version can be found in Appendix E.

Strengths

Cadillac's entry into Formula 1 is strongly supported by General Motors (GM), one of the world's largest automotive conglomerates. This backing provides not only the necessary financial resources but also technical expertise in electrification, software, and advanced manufacturing — key areas under F1's 2026 sustainability regulations (Formula 1, 2024). Another advantage is the partnership with Ferrari, which offers a short-term performance solution through proven power units, enabling Cadillac to focus on team building. At the same time, GM develops its engines for 2029. Additionally, Cadillac benefits from the strategic timing of its entry, coinciding with F1's expanding American presence. With increased U.S. fan engagement fueled by the success of "Drive to Survive" and long-term commitments, such as the Miami Grand Prix extension (Formula 1, 2025), Cadillac's presence satisfies both sporting and commercial objectives. Together, these factors offer a compelling foundation for Cadillac's global repositioning as a high-performance brand.

Weaknesses

Despite these advantages, Cadillac faces several internal challenges. Most notably, it lacks prior F1 experience, which may complicate performance in areas such as car development, regulatory compliance, and race strategy. Even established American teams like Haas have struggled for nearly a decade, highlighting the difficulty of gaining traction in F1. Additionally, Cadillac's brand is closely tied to American luxury rather than global motorsport performance. Over-reliance on U.S.-centric themes may limit global appeal in traditional F1 markets such as Europe and Asia.

Finally, the brand transition from traditional luxury to elite motorsport credibility requires more than just participation; it demands a long-term commitment to product alignment, strategic marketing and narrative coherence to earn legitimacy alongside brands like Ferrari and Mercedes-AMG.

Opportunities

F1 offers Cadillac significant opportunities to accelerate innovation and growth. The series serves as a powerful testbed for advanced automotive technologies, including hybrid systems, lightweight design, and sustainable fuels, all of which are central to the industry's evolution. Participation also enables Cadillac to attract and retain top-tier talent across engineering and operations, especially as it prepares to develop its power units by 2029. On the brand side, Formula 1 provides unparalleled global exposure, with races broadcast across five continents to strongly engaged audiences. This platform can help Cadillac challenge European dominance in the high-performance segment and connect with younger, aspirational consumers. Additionally, it opens doors for expanding dealership networks, international market penetration, and new business partnerships across industries aligned with innovation and luxury.

Threats

Entering one of the world's most competitive sports brings considerable external risks. Firstly, the intense rivalry in F1 will be a significant obstacle. Established teams like Mercedes, Ferrari, and Red Bull have decades of accumulated expertise, data, and technical ecosystems that cannot be easily replicated. Cadillac will likely need several seasons before becoming truly competitive. The complex and rapidly evolving regulatory environment is another significant hurdle. Compliance with FIA rules, particularly the 2026 transition to sustainable fuels and increased electric power, will require both technical cleverness and organisational agility. Economic uncertainty poses further threats, as recessions or inflation may impact sponsorships and operational costs. Finally, instability within the FIA's leadership, including recent high-profile resignations (Sky Sports, 2025) and governance concerns, undermines trust in F1's regulatory framework (The New York Times, 2025). This turbulence could disrupt long-term planning or erode confidence among teams and stakeholders, affecting Cadillac's strategic execution.

Drivers - The unspoken force of Formula One

Formula One, with all its glamour, technology and advancements, is still dependent on the drivers themselves to put on a show. They are the ones who bring the heat and the competition to another dimension - the possibility of human error or excellence that makes fans roar from the stands. However, nowadays, drivers are not only important for what they do on track, but also for what they do off it. Similar to the recent trend where athletes transition into influencers, the same is happening to Formula One drivers. We saw from the conclusion of our questionnaire that people would much rather follow the drivers than the teams. As such, Cadillac must choose drivers who are not only skilled at driving but also likeable, and who can attract not only fans to the team but also potential partners through their brand. Ideally, both the drivers and the team will enter into a symbiotic, mutually beneficial relationship, from which both parties can grow and develop their brands in partnership.



5. Cadillac in Formula 1

Cadillac's announcement to enter Formula 1 marks a significant shift in both the brand's trajectory and American involvement in the pinnacle of international motorsport. Traditionally perceived as a luxury automobile manufacturer tailored to North American preferences, Cadillac has long embodied American elegance and engineering tradition. However, the modern automotive landscape is rapidly evolving, demanding not only innovation but also global relevance, performance credibility, and sustainable integration. The decision to enter Formula 1 under the General Motors umbrella, specifically through a partnership with Andretti Global, signals a deliberate rebranding effort aimed at asserting Cadillac's technological sophistication and performance capabilities on the world stage.

This strategic move is also emblematic of broader corporate transformation within GM, particularly in the context of Total Flow Management (TFM), which emphasises lean operations, continuous improvement, and cross-functional efficiency. Formula 1, as a sport defined by millisecond margins, dynamic engineering cycles, and global market reach, provides an ideal proving ground for applying TFM principles in a high-stakes, real-time environment. It forces Cadillac to operate at the convergence of cutting-edge innovation, rapid iteration, and high-performance execution, aligning closely with the TFM philosophy of minimising waste and maximising value across every operational flow, from design to deployment. As such, Cadillac's entry into Formula 1 is more than a branding or marketing exercise; it is a transformative opportunity to recalibrate the company's engineering identity, elevate its global competitiveness, and reinforce GM's commitment to next-generation performance technologies.

Strategic Implications of Cadillac's F1 Entry

General Motors' decision to position Cadillac, a brand deeply rooted in American luxury, as its ambassador to Formula 1 is as much about image transformation as it is about competition. While GM has participated in other motorsport formats (notably IndyCar and NASCAR), Formula 1 offers unparalleled international exposure. As of 2023, GM, via a partnership with Andretti Global, sought entry into Formula 1 with Cadillac as the constructor brand (FIA, 2023).

This decision was strategic, signalling GM's desire to position Cadillac not only as a heritage brand but as a symbol of innovation and global competitiveness.

TFM's emphasis on continuous improvement, lean operations, and integration of cross-functional processes supports this move. Formula 1's environment, characterised by real-time innovation, rapid feedback loops, and a relentless pursuit of performance, mirrors the core tenets of TFM (Ohno, 1988). Thus, Cadillac's entry serves as a proving ground for the scalability and adaptability of TFM beyond production floors and into global competitive environments.

Technology and Engineering Synergy

Formula 1 represents the apex of automotive engineering. For Cadillac, aligning its engineering resources with F1 requirements will necessitate unprecedented levels of innovation in aerodynamics, hybrid powertrain systems, lightweight materials, and data telemetry. These demands echo the Just-In-Time (JIT) and kaizen principles within TFM (Womack, Jones, & Roos, 1990). Each race becomes a cycle of design iteration, performance measurement, and refinement, akin to the PDCA (Plan-Do-Check-Act) loop that underpins continuous improvement frameworks.

The integration of General Motors' Ultium battery platform into hybrid F1 technology is one area of potential technological spillover. While Ultium is currently deployed in GM's electric vehicle lineup, adapting such modular electric systems to high-performance motorsport could fast-track innovation in both sectors. The feedback Cadillac engineers gain from F1 participation may enhance development timelines and design efficiencies across GM's entire portfolio, thereby reinforcing the flow efficiency sought under TFM.

Branding, Globalisation, and Market Positioning

Cadillac's participation in Formula 1 serves a critical role in redefining its brand image. Historically associated with American luxury and domestic prestige, Cadillac has struggled with relevance in the European and Asian markets (BrandZ, 2020). Formula 1, with races held across five continents and a cumulative annual viewership exceeding 1.5 billion (Formula One Group, 2023), offers an unparalleled platform to showcase Cadillac's renewed identity, fusing luxury with performance.

In branding terms, this is a textbook example of a repositioning strategy. It aligns with Kotler's (2017) view that revitalizing a brand often requires engagement in aspirational narratives, particularly those grounded in performance and innovation. The F1 stage provides Cadillac an arena to demonstrate not only speed and sophistication but also technical excellence, thereby appealing to a younger, more global audience.

From a TFM lens, this global visibility facilitates customer flow, a crucial element in aligning production with market demand. By enhancing brand desirability globally, Cadillac increases the demand pull factor, potentially optimising supply chains and inventory levels according to lean principles.

Challenges and Criticisms

Despite the ambitious goals, Cadillac's path into Formula 1 is not without barriers. As of late 2023, the FIA approved Andretti Global's bid to enter Formula 1, but Liberty Media, the commercial rights holder, has yet to finalise the team's inclusion, citing concerns about diluting the current team structure and revenue pool (BBC Sport, 2023). There is also scepticism within the paddock regarding the competitiveness of a new American team.

Furthermore, Cadillac's lack of motorsport pedigree in open-wheel racing, particularly at the F1 level, presents a steep learning curve. The development costs of an F1 program, estimated at \$140 million per year under the cost cap, require sustained commitment, both financially and organizationally (F1 Technical Regulations, 2022).

From a TFM standpoint, failure to ensure alignment across engineering, marketing, logistics, and international regulatory compliance may create bottlenecks in GM's broader transformation goals. If poorly executed, this venture could undercut the flow efficiencies TFM aims to support, resulting in misallocated resources and reputational risk.

Long-Term Benefits to GM and the American Automotive Industry

Regardless of short-term challenges, the long-term strategic value of Cadillac's participation in Formula 1 is potentially transformative. For GM, the initiative serves as an incubator for high-performance technologies that could trickle down to consumer vehicles. Enhanced powertrain efficiency, improved aerodynamics, and AI-driven predictive maintenance tools are all areas where F1 learnings can be applied to mainstream automotive production.

In a broader context, Cadillac's F1 entry reasserts the United States as a legitimate stakeholder in the elite motorsport domain. The move aligns with the growing American interest in F1, fueled by events such as the Miami and Las Vegas Grand Prix, as well as the popularity of Netflix's "Drive to Survive" series (The New York Times, 2023). Strategically, it positions GM, and by extension, the U.S., as a player in the next generation of automotive innovation on the world stage.



6. Business Model Canvas

<p>Key Partners</p> <ul style="list-style-type: none"> • Andretti Global • GM Motorsports • F1 Sponsors • Engine & Technology Suppliers • R&D Collaborations 	<p>Key Resources</p> <ul style="list-style-type: none"> • GM's Corvette Platform • Battery Innovation • R&D Capacity • F1 Racing Infrastructure 	<p>Value Propositions</p> <ul style="list-style-type: none"> • "American Excellence Reborn" • "Track-Proven Innovation" • High-performance hybrid powertrain with sustainability focus • Luxury performance with racing pedigree (Cadillac legacy in motorsport)
<p>Customer Segments</p> <ul style="list-style-type: none"> • High-performance car collectors • International F1 fans (especially American fans) • Motorsport stakeholders (teams, investors) • Tech-savvy consumers • Luxury car consumers seeking high-performance features from American brands 	<p>Channels</p> <ul style="list-style-type: none"> • F1 Events and Global Races • Cadillac Dealerships • Online Platforms and Social Media • Exclusive racing events, launches, and product reveals 	<p>Customer Relationships</p> <ul style="list-style-type: none"> • VIP Experiences at F1 events • Loyalty programs for Cadillac owners • Social media engagement with behind-the-scenes content • Personalized, high-touch experiences for premium buyers • Brand ambassador partnerships with drivers and influencers
<p>Revenue Streams</p> <ul style="list-style-type: none"> • F1 Race winnings and sponsorship deals • Sales of high-performance cars • Licensing and branding (Corvette-based innovations) • Direct sales of limited-edition cars • Partnerships for R&D and joint ventures 		<p>Cost Structure</p> <ul style="list-style-type: none"> • R&D Costs (battery tech, hybrid systems) • Manufacturing and assembly of race cars • Sponsorship and marketing costs • Operational costs for racing events, logistics, and team support • General administrative expenses

6A. Financial Analysis

This chapter takes a comprehensive financial examination of Cadillac's transformation into a high-performance, motorsport-affiliated brand. As General Motors' flagship for electrified luxury and American innovation, Cadillac's entry into Formula 1 and the creation of a road car division derived from F1 technologies represent a dual-pronged business strategy. The financial model outlined here evaluates both initiatives independently and then integrates them to assess the net profitability and overall scalability of the venture.

Formula 1 Financial Model

The Cadillac Formula 1 team is projected to generate \$355 million in annual revenue, with primary streams including sponsorships (\$200 million), prize distribution from the FIA (~\$80 million), merchandise licensing (\$40 million), and media rights shares (\$35 million). These estimates are grounded in benchmarks from other teams, Liberty Media's expanding monetisation framework, and the rise of the U.S. Grand Prix market, which now hosts three annual races (Liberty Media Corporation, 2024).

Cadillac's unique value proposition, as one of two American constructors, creates premium sponsor appeal due to its niche market position. This particularly resonates with brands seeking cultural alignment and ESG-compliant innovation narratives. Drawing lessons from the valuation surges of teams like Red Bull and Aston Martin, Cadillac stands to benefit significantly from brand amplification and hospitality revenue (Forbes, 2024).

Under current FIA regulations, operational expenses are capped at \$135 million for performance-related costs. However, this cap excludes specific categories such as marketing, logistics, and engine supply agreements. Cadillac, as a new party, is expected to source customer power units from Ferrari for the initial years, with an estimated annual fee of \$20 million based on historical customer team arrangements (RaceFans, 2023; The Race, 2024). This cost has been budgeted separately and is reflected in the financials.

Total annual expenses that Cadillac will see will range around \$420 million. With unchanged revenue of \$355 million, the net income amounts to \$ 65 million, resulting in a net margin of approximately 18.31%. Although negative for the first year, this is expected from an initial investment made by a team that just entered the sport, reflecting realistic supplier obligations.

Tables 1-3: Annual Formula 1 Revenue and Expense Breakdown

Aggressive Case Scenario

Category	Amount (\$M)	Notes
Sponsorship Revenue	200	Title and secondary sponsor deals (Forbes, 2024)
Prize Money	80	Based on historical mid-grid team distribution (Liberty Media, 2024)
Licensing & Merchandising	40	Retail products and team apparel (Fanatics, 2024)
Media Rights Share	35	Pro-rata share from Liberty Media
Total Revenue	355	Aggregate of all sources
Team Operations & Salaries	135	Within FIA cost cap (FIA, 2024)
Marketing & Activation	60	Event hospitality, branding, outreach
Logistics & Travel	75	Global shipping, accommodation, equipment
Technology/R&D & Admin	130	Engineering, data systems, team infrastructure
Ferrari Engine Supply	20	Annual fee for power unit customer deal (RaceFans, 2023)
Total Expenses	420	Includes engine cost (previously 400M)
Net Income	-65	Revenue – Expenses
Net Margin	-18.31%	(Net Income / Total Revenue) x100

To ensure Cadillac’s Formula 1 financial plan remains viable across varying market conditions, two additional models were developed to advocate. A “Base Case” assumes normal performance and sponsor growth, and a “Conservative Case” accounts for a slower ramp-up. These tables forecast revenue, expenses, and margins over the first five years of F1 operations, aligning with the broader financial framework set out in this chapter.

Base Case Scenario

Year	Revenue	Expenses	Net Income	Net Margin
2026	\$325M	\$420M	-\$95M	-29.23%
2027	\$377.5M	\$425M	-\$47.5M	-12.58%
2028	\$398.1M	\$430M	-\$31.88M	-8.01%
2029	\$463.9M	\$430M	\$33.91M	7.31%
2030	\$492.9M	\$435M	\$57.85M	11.74%

Conservative Case Scenario

Year	Revenue	Expenses	Net Income	Net Margin
2026	\$295M	\$420M	-\$125M	-42.4%
2027	\$340M	\$425M	-\$85M	-25%
2028	\$358.8M	\$430M	-\$71.3M	-19.9%
2029	\$414.7M	\$430M	-\$15.3M	-3.7%
2030	\$441.2M	\$435M	\$6.17M	1.4%

Road Car Division Financial Model

Cadillac's road car division is designed to convert Formula 1's technological prestige into tangible commercial products. Leveraging GM's Ultium platform and the proven C8 mid-engine chassis, Cadillac will introduce a line of electrified performance vehicles. Annual revenues are forecasted at \$1.335 billion, based on projected global unit sales ranging between 6,000 and 12,000, priced in the \$80,000–\$200,000 range (GM, 2022; Motortrend, 2022).

The performance road car strategy aligns with demand trends in the luxury electric vehicle (EV) space, particularly in North America, the Middle East, and China. These are the regions with a rising appetite for bespoke electrified performance, thus a good place to position these new launches. These vehicles, featuring race-derived composite materials, active aerodynamics, and real-time data feedback, will target buyers of the Porsche Taycan, Lucid Air Sapphire, and Audi e-tron GT.

Initial operating costs are estimated at \$970 million per year, encompassing manufacturing, sales, research and development, and warranty provisioning. However, the division requires a one-time capital investment of \$300 million in factory retooling and EV powertrain development, plus \$180 million for part procurement and onboarding skilled labour. These costs will bring the first-year adjusted expense total to \$1.45 billion, resulting in a temporary net loss of \$115 million and a margin of -8.61%.

Table 4: 5-Year Road Car Division Revenue Forecast

Year	Revenue (USD Millions)	Assumed Avg. Price (USD)	Estimated Units Sold
2026	1,335	\$140,000	9,536
2027	1,400	\$140,000	10,000
2028	1,500	\$140,000	10,714
2029	1,600	\$140,000	11,429
2030	1,700	\$140,000	12,143

Table 4: 5-Year Road Car Division Financial Forecast

Year	Revenue (\$M)	Expenses (\$M)	Net Income (\$M)	Net Margin (%)
2026 (Year 1)	1335	1450	-115	-8.61%
20267(Year 2)	1400	1300	100	7.14%
2028 (Year 3)	1500	1250	250	16.67%
2029 (Year 4)	1600	1200	400	25.00%
2030 (Year 5)	1700	1150	550	32.35%

Combined Net Income and Margin Summary.

When viewed holistically, Cadillac’s dual-track strategy yields \$1.69 billion in Year 1 revenue, offset by \$1.87 billion in expenses, resulting in a net loss of \$180 million. This early-stage deficit reflects the upfront investments required to establish both the F1 and road car programs. Strategically, the model distributes risk across two complementary ventures: Formula 1 serves as a self-sustaining global branding engine, while the road car business is positioned for scalable, long-term profitability. As initial capital expenditures taper off in subsequent years, combined margins are expected to improve significantly.

Representing one of only two American teams in Formula 1, Cadillac enhances its national identity and cultural relevance, providing partner brands with a rare chance to align with U.S.-based innovation on the world motorsport stage.

The financial structure is intentionally segmented to allow each division to mature at its own pace. In F1, Cadillac begins with a net loss of \$65 million in 2026 (margin: -18.3%) and nearly reaches breakeven by 2027. Positive net income begins in 2028 at \$7.5 million, scaling to \$83.13 million in 2029 and \$109.5 million in 2030, at a healthy 20.11% margin. These gains are fueled by compounding revenues from sponsorships, prize pools, and commercial rights, mirroring the financial trajectories of established teams like Mercedes-AMG Petronas and Red Bull Racing (Forbes, 2023).

On the EV side, the road car business starts with a \$115 million loss in 2026 (margin: -8.61%) but turns profitable in 2027 with \$100 million in net income (7.14% margin). Profitability accelerates from there: \$250 million in 2028, \$400 million in 2029, and \$550 million in 2030, culminating in a 32.35% margin. This trajectory is underpinned by declining unit costs, brand premiumization from F1 halo effects, and shared innovation between motorsport and road applications (AutoNews, 2024).

By 2030, Cadillac is projected to generate \$659.5 million in combined net income on \$2.24 billion in revenue, which is equivalent to a 29.4% net margin. These results validate the underlying strategy: racing is not merely symbolic marketing, but a functioning financial engine. The interplay between global motorsport visibility and luxury EV deployment positions Cadillac to lead in both cultural relevance and commercial performance, with a sharply improving financial profile year over year.

4. Marketing Activations and Revenue Strategy

Cadillac's marketing framework is designed to monetise its F1 presence through storytelling, digital engagement, and experiential hospitality. Three key pillars drive \$75 million in projected annual revenue from a \$60 million investment (Fanatics, 2024; Forbes, 2024; SocialBlade, 2024).

Table 5: Marketing Revenues and Costs

Marketing Activity	Revenue (\$M)	Cost (\$M)
Merchandising & Collections (Fanatics, 2024)	30	15
Hospitality & B2B Activations (Forbes, 2024)	25	20
Digital Engagement & Influencers (SocialBlade, 2024)	20	25
Total	75	60

Beyond direct income, these initiatives generate brand equity and facilitate the capture of first-party data. Influencer-led campaigns deliver sub-\$20 CPM rates in automotive demographics, while hospitality events support long-term B2B loyalty and cross-marketing with luxury partners. These programs ensure Cadillac competes not just on product, but on presence.

Five-Year Net Income and Margin Forecast

To evaluate Cadillac's financial sustainability, a five-year projection was developed incorporating forecasted revenue growth, operational efficiencies, and macroeconomic trends related to EV adoption and motorsport commercialisation. The Formula 1 division demonstrates a clear progression toward profitability, improving from a net margin of -18.3% in 2026 to 20.11% by 2030. This upward trajectory is fueled by growing sponsorship and media revenues, consistent prize money gains tied to competitive performance, and disciplined cost control within the FIA budget cap.

Conversely, the road car division transitions from a capital-intensive launch phase to a high-margin growth engine. Beginning with an 8.61% net margin in 2026, the EV performance line becomes profitable in Year 2 and climbs to a 32.35% margin by 2030. This sharp margin expansion reflects both cost efficiencies gained through scaling and premium pricing power derived from Cadillac's F1 halo effect and brand repositioning within the luxury EV market.

Table 6: Financial Overall

Year	F1 Revenue	F1 Expenses	F1 Net	F1 Margin	Road Revenue	Road Expenses	Road Net	Road Margin
2026	355	420	-65	-18.3%	1335	1450	-115	-8.61%
2027	415	425	-10	-2.41%	1400	1300	100	7.14%
2028	437.5	430	7.5	1.71%	1500	1250	250	16.67%
2029	513.13	430	83.13	16.2%	1600	1200	400	25%
2030	544.53	435	109.5	20.11%	1700	1150	550	32.35%

These forecasts assume modest F1 revenue growth (between 3% and 5% annually), rising brand equity, and increased monetisation from hospitality and media rights. Road segment profitability remains resilient even under initial adverse conditions, with the analysis indicating Cadillac can maintain healthy margins even if sales volumes fall short by a deficit of up to 15%.

Conclusion

This chapter illustrated the strategic depth of Cadillac's transformation by entering this prestigious market. By establishing a presence in Formula 1, Cadillac reclaims its performance heritage while generating standalone profit and marketing firepower. Concurrently, the road car initiative translates racing credibility into high-margin, scalable product lines.

Together, these initiatives will produce an overall synergistic benefit for both ventures. F1 builds the brand, road cars monetise it. The supporting marketing infrastructure turns brand visibility into consumer and commercial engagement. As this chapter demonstrates, Cadillac's strategy is not only visionary but also financially grounded, setting a benchmark for American luxury reinvention in the electric vehicle (EV) era.

7.Strategic Implementation and Technical Evolution - From Ferrari Power to GM Independence

General Motors' entry into Formula One through its partnership with Andretti Global signals a transformative moment for both American motorsport and GM's global performance branding. Anchored by the Corvette marque, the strategy begins with Cadillac's official F1 debut under GM from 2024 to 2026, leveraging Corvette platforms and brand synergy. From 2026 to 2030, Cadillac will introduce road cars based on the C8 Corvette, infused with F1-derived technology and design. Post-2030, the focus shifts to expanding Cadillac into a global luxury-performance brand, tightly aligned with its motorsport halo. This chapter outlines the implementation roadmap, strategic partnerships, and engineering milestones that support Cadillac's transition from a Ferrari-powered customer team to a fully independent F1 entrant with a GM-designed power unit, rooted in C8 architecture.

Strategic Alliance with Andretti Global

The Andretti-Cadillac F1 project, officially endorsed by General Motors, reflects a deliberate effort to unify American technological prowess with one of motorsport's most iconic dynasties. Initially, the partnership will rely on existing Ferrari power unit contracts as a pragmatic entry strategy. Ferrari's V6 turbo-hybrid power unit provides a competitive and proven solution while allowing GM the critical developmental window to prepare its own powertrain (Cooper, 2023).

Andretti Global's infrastructure and F1 operations experience serve as an immediate performance stabiliser. Leveraging its existing European base and motorsport logistics network, Andretti enables GM to bypass many of the regulatory and infrastructural entry barriers that have historically plagued new entrants (Smith, 2024). This symbiosis is further reinforced by GM's engineering contribution, with their Propulsion Systems group coordinating with Andretti's chassis and aerodynamic teams to ensure compatibility during the customer-engine phase.

Technical and Engineering Transition: The Ferrari Bridge

For the initial two seasons (targeting 2026 and 2027), the team will operate as a customer of Ferrari's power units. This phase is strategically important, as it enables the Andretti-GM partnership to benchmark its internal engineering performance against a top-tier engine package. Concurrently, GM engineers can collect comparative telemetry, stress data, and dynamic performance inputs from real-race conditions to inform their in-house development.

Ferrari's current 066/10 engine architecture, a 1.6L turbocharged V6 hybrid, serves as an ideal comparative model for GM engineers (Scarborough, 2023). During this period, GM will reverse-engineer critical thermal efficiency strategies, MGU-K deployment cycles, and ERS integration schemes. This two-year window also enables hardware and software teams to develop a proprietary Energy Recovery System (ERS), arguably the most complex component in the hybrid powertrain ecosystem.

C8 Inspiration and GM Power Unit Development

GM's decision to build its own F1 power unit draws heavily from the Corvette C8-R's mid-engine layout and hybrid research within the C8 Z06 platform. While the current C8's 5.5L naturally aspirated V8 does not meet the F1 architecture requirements, it showcases GM's capacity to engineer high-revving, flat-plane crank engines capable of maintaining thermal stability and mechanical integrity under extreme conditions.

The F1 engine will not be a simple derivative but a ground-up design that borrows conceptual insights from Corvette Racing's learnings. The most likely architecture is a 1.6L turbocharged V6 with a high-performance hybrid system, featuring a newly developed MGU-K and MGU-H system, in line with FIA's 2026 regulations (FIA, 2023). In addition to energy deployment efficiency, GM's unit must meet the strict fuel flow limits and environmental mandates, including 100% sustainable fuel usage.

Engine development will be led by GM's Performance and Racing Centre in Pontiac, Michigan, in coordination with its UK-based motorsport engineering satellite (planned to open Q4 2025). The development pipeline includes three major stages: conceptual design and digital simulation (Q1–Q4 2025), prototype testing (Q1–Q3 2026), and integration with the Andretti chassis for real-world performance simulation (Q4 2026–Q2 2027).

Implementation Plan and Timeline

The implementation of GM's full independence within the F1 project will proceed through the following stages:

Phase I: Partnership Entry and Infrastructure (2024–2025)

- Formalisation of the Andretti-GM alliance and entry confirmation by the FIA.
- Construction of a dedicated power unit facility in the UK for regulatory compliance and operational integration with the F1 supply chain.
- Hiring of 200+ specialised engineers across powertrain, battery systems, and ERS control algorithms (Pruett, 2023).

Phase II: Ferrari-Powered Operations and Data Benchmarking (2026–2027)

- The first two seasons run with Ferrari engines to collect telemetry and validate systems under competitive stress.
- GM focuses on ERS development, high-performance cooling, and energy mapping in preparation for 2028.
- Aerodynamic teams adapt chassis designs to accommodate the expected packaging of GM's upcoming power unit.

Phase III: GM Engine Track Integration and Homologation (2027–2028)

- Testing of the GM power unit begins in the mule chassis during the 2027 off-season.
- FIA homologation process undertaken in parallel, ensuring regulatory compliance.
- Full integration and public debut of the GM engine scheduled for the 2028 F1 season.

Engineering and Operational Synergies

To maximise performance and maintain competitiveness throughout this transition, Andretti and GM must institute a tightly coupled development cycle using real-time data sharing and simulation. Cloud-based digital twins of both the Ferrari and GM engines will enable iterative development, while AI-driven diagnostic tools will facilitate predictive failure modelling and component life-cycle forecasting (Thompson & Mendez, 2022).

Further, GM's parallel investments in electric motorsport (Formula E and the Cadillac GTP program) offer a direct transfer of hybrid battery management systems and regenerative braking strategies. The convergence of knowledge streams across platforms will serve as a force multiplier in both reliability and energy recovery efficiency.

Geopolitical Risks and Trade Barriers: The Trump Administration Variable

One of the most significant external threats to the successful execution of GM's F1 implementation strategy is the possibility of heightened economic nationalism in the United States, particularly during the second term of the Donald Trump presidency. Historically, the Trump administration pursued aggressive tariff policies on foreign automotive imports, steel, and aluminium, which are materials crucial to F1 car construction and manufacturing supply chains (U.S. Trade Representative, 2019).

Should Trump's tariff regime be fully embodied, several setbacks will arise:

- **Increased Component Costs:** Key components sourced from Europe, such as carbon composites, advanced electronics, and telemetry systems, may be subject to punitive tariffs, which could raise development and manufacturing costs by up to 15–20% (Automotive News, 2024).
- **UK Facility Vulnerability:** The proposed UK-based GM engineering facility may become financially vulnerable if transatlantic trade relations are strained. This could delay engine homologation schedules or force supply chain relocation.

- **Visa and Talent Mobility Restrictions:** Tighter immigration controls could limit GM's ability to transfer engineering talent between U.S. and UK sites, complicating coordination and operational timelines (Bloomberg, 2023).
- **Consumer Sentiment and Nationalism:** A protectionist political climate could shift public expectations, pushing GM to emphasise American sourcing over international collaboration. This may undercut the Andretti-GM team's cosmopolitan technical partnerships unless messaging is tightly managed.

To mitigate these risks, GM should consider:

- Establishing a parallel F1 supply chain within the North American Free Trade Zone to reduce exposure to EU import tariffs.
- Negotiating supplier contracts with flexible fulfilment clauses that account for trade volatility.
- Launching a “Made in America” narrative campaign highlighting domestic contributions to the GM power unit.
- Lobbying proactively via the Alliance for Automotive Innovation to prevent auto-specific tariffs.

Strategic Significance and Long-Term Goals

The significance of GM's shift toward F1 self-reliance cannot be overstated. Beyond the prestige, it signals a new phase in GM's global identity, one grounded in high-performance innovation, sustainable engineering, and international motorsport credibility. Moreover, anchoring Corvette as the face of GM's F1 efforts creates a halo effect that will reverberate through consumer product lines, particularly in Europe and Asia, where brand image is often directly tied to racing pedigree (Jenkins, 2021).

The culmination of this roadmap (expected by 2028) positions Andretti-GM not just as an American entrant but as a legitimate contender in F1's technical arms race. The symbolic transition from Ferrari dependence to Corvette-led independence embodies the resurgence of American engineering ambition on the most prestigious stage of motorsport.

7A: Integrated Marketing Strategy – Cadillac F1 and Road Cars

As Cadillac stands at the precipice of a massive transformation, its strategic entry into Formula 1 and evolution into a global performance marque require a deeply integrated marketing plan. This chapter builds upon previous strategy frameworks to propose specific, monetizable activations, targeted marketing expenditures, celebrity-driven experiences, and long-term value creation. The synergetic strategy targets Cadillac's Formula 1 campaign with Andretti Global and the brand's high-performance road car division, aiming to build a halo of innovation and aspiration around American excellence (Liberty Media Corporation, 2024).

Marketing Activation Strategy – Cadillac Formula 1 Team

Cadillac's presence in Formula 1 offers a unique opportunity to blend technology, heritage, and lifestyle into a single global marketing force. To maximise the brand's impact on and off the track, Cadillac must adopt a layered activation strategy. These activations will not only build engagement with fans and consumers but also deliver measurable returns in sponsorship and brand equity.

A core pillar of Cadillac's F1 marketing strategy will be high-visibility experiential marketing at Grand Prix events. This includes Cadillac Velocity Lounges: modular, transportable luxury environments set up at marquee races such as Miami, Las Vegas, Monaco, and Abu Dhabi. Each lounge would function as a premium hospitality suite combining virtual racing simulators, interactive pit-wall strategy games, and curated dining experiences by celebrity chefs. For example, partnering with chefs like José Andrés or Kwame Onwuachi would align Cadillac with a sense of cultural sophistication. Access to these lounges will be extended to media partners, influencers, and high-net-worth individuals.

To drive exclusivity and reach broader audiences through lifestyle storytelling, Cadillac will introduce a Celebrity Grid Club. This will be an experience where selected celebrities are hosted for race weekend activations.

An example of this would be to consider names such as LeBron James, Zoe Saldña, or Chris Evans being flown in via Cadillac-branded private shuttles, dressed in limited-edition Cadillac apparel, and doing walk-throughs in the garage. These appearances would be amplified through social media, generating viral traction. The celebrity presence would be monetised through branded collaborations (limited edition apparel drops or digital NFT badges commemorating their visits).

Mirroring these physical activations, Cadillac will commission a documentary series, "From Detroit to Monaco," which will cover the team's development and overall journey. The series will include F1 tech deep-dives, team dynamics, and product linkages to Cadillac road innovations. Hosted on free streaming platforms, such as YouTube, the show and its clips will serve a dual purpose: to establish brand legitimacy and acquire fans. Through free content, a wider diversity of fans will have the opportunity to stay up-to-date with the team, while also giving influencers the chance to create reaction videos and contribute to the series' success.



The digital content strategy includes a high-frequency push across TikTok, Instagram Reels, and YouTube Shorts. Each race week, Cadillac will produce micro-content, including "Engineer Q&As," "Driver Diaries," and "Tech Talks," which explain how racing innovation is applied to consumer products. Charismatic brand ambassadors or drivers would front these pieces. During the weeks without races, the content will focus on the team's facility, allowing fans to learn more about what happens "at home" in preparation for a Formula One Grand Prix.

Another way to boost fan engagement will be to hold a design contest among fans, where they would have to create a helmet that one of Cadillac's drivers wears during a circuit, from the first day until the race on Sunday. Involving and empowering fans is a perfect strategy to increase prestige and loyalty among existing supporters and to attract new audiences who would be drawn to the opportunity to showcase their creativity and skills in an F1 race. That could also be a source of income if Cadillac decides to sell the helmet after being used in one of the Grand Prix.

In addition to these strategies, Cadillac will conduct fan zone activations to foster an emotional connection with F1 fans and the local communities in the various cities hosting the circuits throughout the season. There will be racing simulators to demonstrate Cadillac's technological and driving performance engagingly. The experience will include quizzes to test fans' knowledge of Cadillac's history and plans, offering rewards such as team gear and VIP experiences. Ideally, these fan zones will include as many Cadillac sponsors as possible, thereby fully delivering to the partner the opportunity to communicate directly with the fans. A collaboration with a local visual artist will make the Cadillac fan zone truly unique. Additionally, a digital section will feature a screen displaying positive social media interactions and VR headsets that transport fans directly to Cadillac's factories, offering a first-hand look at the car manufacturing process. Finally, a dedicated merchandise area will be established to optimise extra revenues during Grand Prix weekends.

Additional activations:

- Global Racing Challenge: An esports partnership inviting fans to race virtual Cadillac F1 cars, with winners flown to real GPs.
- PitBox by Cadillac: A pop-up design showcases in flagship cities (NYC, Dubai, Paris) during race weeks, displaying the actual F1 car, fanwear, and offering exclusive access to race telemetry screens.
- The Velocity Gala: An annual luxury fundraising gala hosted during the Las Vegas GP weekend, inviting celebrities, VIPs, and sponsors.

F1 Financial Strategy

The table below outlines the revenue and expenditure model tied to Cadillac's F1 activities. These numbers reflect Cadillac's potential if it secures marquee sponsorships and executes premium fan and partner experiences.

Table 1: F1 Financial Strategy Overview (Best Case Scenario)

	2026	2027	2028	2029	2030
Partnerships/Sponsorships	200.00	250.00	262.50	328.13	344.53
Prize Money	80	85	90	95	105
Merch & Licensing	40	45	50	55	60
Media Rights	35	35	35	35	35
Total Revenue	355.00	415.00	437.50	513.13	544.53
Team Operations and Salaries	135	135	135	135	135
Marketing & Activation	60	65	65	70	75
Logistics & Travel	75	75	80	80	80
Technology / R&D / Admin	130	135	135	135	135
Engine Purchase	20	15	15	10	10
Total Expenses	420	425	430	430	435
Net Income	-65.00	-10.00	7.50	83.13	109.53
Net Margin	-18.31	-2.41	1.71	16.20	20.11

Modeled after top teams such as Red Bull and Mercedes, who operate within the \$500M - \$650M per year range when including sponsors, prize pools, and media licensing, a projection of \$355M - \$545M (2026-2030) is very well realistic if Cadillac can stay competitive. Although an aggressive approach, Cadillac can mirror and learn from pre-existing teams to execute exceptionally well and stay within the margins of this best-case scenario.

Road Car Division Strategy – Performance Halo and Electrification

The Cadillac road car marketing plan centres around leveraging F1-derived prestige and technology into high-performance electric vehicles that cater to the luxury segment. These efforts will not only build a new consumer base but redefine Cadillac’s market perception across key global territories.

The key to this evolution is the development of Cadillac Performance Editions: road cars that share physical and digital DNA with their Formula 1 counterparts. These vehicles will be launched during Grand Prix weekends, with unveilings held at “Velocity Lounges” with a corresponding online feed.

To mirror the success of brands like Porsche and Ferrari, Cadillac must adopt a storytelling approach that resonates with its target audience. Each new vehicle model will have a unique narrative rooted in its racing technology heritage. For example, the “Celestiq Track Edition” could highlight wind-tunnel-shaped aero components adapted from Cadillac’s 2026 F1 chassis. Commercials and online configurators will incorporate race telemetry overlays, allowing customers to feel they’re buying into the same engineering ethos.

Strategic activations include:

- Celebrity Driver Collection: Partnering with F1 drivers to co-design limited-edition trims of Cadillac performance vehicles. These models, launched with lifestyle content and city unveilings, would target collector markets.
- Urban Design Labs: Mobile installations in high-traffic districts like Ginza (Tokyo), Champs-Élysées (Paris), and Soho (NYC), where engineers and designers demo innovations.
- Premium Test Drive Weekends: Hosted during F1 off-weeks, these events offer exclusive customer trials on private circuits, followed by culinary and music experiences.

Hospitality remains at the centre of the road car strategy. Cadillac will create luxury ambassador programs, inviting celebrities and social media influencers to join private preview events. These events will offer one-on-one interactions with engineers and stylists. A VIP mobile experience team will deliver the vehicle directly to influencers for a week-long use, documented through curated Instagram Reels and TikTok storytelling. This strategy humanises innovation and taps into the authenticity economy.

Road Car Financial Outlook

Projected revenues for Cadillac’s performance road cars are based on targeted annual unit volumes and luxury-tier pricing. As shown below, Cadillac can realistically generate over \$1.2 billion annually by 2030 through a diversified performance lineup.

Table 2: Cadillac Road Car Monetization Projections

Model Tier	Estimated Units (2030)	Average Price (USD)	Total Revenue (USD Millions)
Entry Performance (CT4-V)	3,000	\$80,000	\$240
Mid-Tier Electric (Lyriq-V)	5,000	\$120,000	\$600
Flagship Performance (Celestiq Track Edition)	2,000	\$200,000	\$400

Cadillac F1 & Road Car Marketing Roadmap (2026–2030)

To support Cadillac’s dual-market expansion in Formula 1 and luxury performance vehicles, a five-year marketing roadmap will be implemented in stages. This strategy emphasises global awareness, high-impact activations, fan acquisition, and direct monetisation opportunities. This is all accomplished without altering the financial projections established in Chapter 6A, yet still allowing space to explore additional ventures throughout the years and maximise potential new revenues.

2026 – Launch & Establish Identity

The inaugural year will be defined by the global reveal of the Cadillac Formula 1 Team. This will be orchestrated through a live-streamed launch event in Detroit, with simultaneous mirroring in high-profile locations such as New York City, London, and Abu Dhabi. To create a strong physical presence at the races, Cadillac will deploy Velocity Lounges at marquee events, including the Miami, Monaco, and Las Vegas Grands Prix.

These immersive spaces will combine driving simulators, curated culinary experiences, and interactive pit-wall games to provide VIP guests and media partners with an elevated experience.

Additionally, the debut season of the docuseries 'From Detroit to Monaco' will offer an inside look at the team's journey, available for free on digital platforms to establish legitimacy and foster brand connection. The year will also mark the debut of the Celebrity Grid Club, where Cadillac hosts influential figures for exclusive race-weekend appearances. These moments will be monetised through co-branded merchandise drops and digital collectable campaigns. All these efforts will be executed within the \$60M marketing budget allocated for Year 1, maintaining consistency with financial expectations.

2027 – Expansion and Lifestyle Integration

In 2027, Cadillac will expand its marketing footprint into cultural and lifestyle spheres. The PitBox by Cadillac pop-ups will travel to major global fashion capitals, including Paris, Tokyo, and New York City, during race weeks, showcasing the F1 car, road vehicles, and exclusive telemetry screens. This year will also introduce Urban Art x Racing collaborations, integrating local artists into fan zone spaces to create shareable, viral content. On the monetisation front, Cadillac will capitalise on premium merchandise opportunities and sponsored activations at these events, helping diversify revenue streams. The first Performance Road Halo vehicles will also be unveiled at Velocity Lounges, tying together Cadillac's motorsport identity and luxury EV product lines. These lifestyle-forward campaigns strengthen Cadillac's cultural relevance while supporting the road car narrative.

2028 – Fan Ownership & Digital Loyalty

Year three will focus on deepening fan engagement and community ownership. Cadillac will launch its Fan Helmet Design Challenge, enabling fans worldwide to design race-worn helmets. Winning entries will be turned into limited-edition merchandise, generating direct revenue and enhancing fan connection.

Alongside this, Cadillac will introduce a proprietary mobile application, offering fans gamified access to race telemetry, exclusive behind-the-scenes content, and real-time race updates. The road car strategy will benefit from VIP Test Drive Weekends, where prospective clients experience Cadillac's performance EVs on private tracks accompanied by curated hospitality experiences. These initiatives will strengthen brand loyalty and support digital monetisation through mobile platforms and exclusive product drops.

2029 – Consolidation of Prestige

As Cadillac's competitive credibility grows, the brand will begin consolidating its prestige position. The annual Velocity Gala will be held during the Las Vegas Grand Prix, serving as a luxurious fundraiser and brand summit for celebrities, investors, and key sponsors. Cadillac will also introduce the Cadillac Racing Club, a paid membership program offering early access to digital content, exclusive team experiences, and personalised merchandise. The docuseries 'From Detroit to Monaco' will enter its fourth season, refined for monetised streaming platforms like YouTube and Amazon Prime, generating incremental income and enhancing narrative continuity. These programs are aimed at deepening emotional investment while monetising exclusivity without expanding beyond the original marketing allocation.

2030 – Legacy and Global Market Entrenchment

In its fifth year, Cadillac's marketing efforts will emphasise a lasting brand legacy and international footprint. A Global Racing Challenge Esports Series will be launched in partnership with F1 Esports and AWS, featuring virtual races that culminate in fan-voted championship events. Cadillac will also introduce Experience Centres across strategic emerging markets, such as the UAE, Brazil, and South Korea, combining virtual manufacturing tours with hands-on experiences featuring F1 and EVs. The year will close with a global marketing campaign titled 'Ten Years to Win,' celebrating Cadillac's journey in redefining luxury performance. These initiatives will further globalize the brand and elevate both its racing and consumer identities, all within the scope of Cadillac's forecasted financial and operational resources.

Activations

Q1'26 (JAN - MAR)

- 1) Global reveal event – Early March, just before the first race (likely Bahrain GP)
- 2) Docuseries S1 launch – March, after global reveal, timed with season opener

Q2'26 (APR - JUN)

- 3) Velocity Lounge – Miami GP – May
- 4) Driving simulators, culinary experiences, pit-wall games – Launch in Miami, continue at all Lounge events
- 5) Celebrity Grid Club begins – Debuts in Monaco, late May
- 6) Velocity Lounge – Monaco GP – Late May

Q4'26 (OCT - DEC)

- 8) Velocity Lounge – Las Vegas GP – November
- 9) Final Celebrity Grid Club appearance at season closer (Abu Dhabi GP – late November)

Q3'26 (JUL - SEP)

- 7) Co-branded merch + digital collectables – Drop around British GP (July) and Belgian GP (August)

Q2'27 (APR - JUN)

- 12) PitBox: Paris (aligned with Fashion Week Previews) – May or June
- 13) Urban Art x Racing launches – Miami GP or Monaco GP again

Q1'27 (JAN - MAR)

- 10) Planning for pop-ups and art activations
- 11) Urban Art x Racing artist commissions begin

Q3'27 (JUL - SEP)

- 14) PitBox – Tokyo – July, aligned with Tokyo fashion season or Japan GP if early, Telemetry screen showcases + merch drops – Late summer around Monza GP (Italy)
- 15) Performance Road Halo debut – Monaco, Silverstone, or Monza Lounges

Q1'30 (JAN - MAR)

- 34) Global Racing Challenge Esports Series announced – January
- 35) Regional Experience Centres prep in UAE, Brazil, South Korea

Q3'29 (JUL - SEP)

- 29) Velocity Gala planning + invites go out
- 30) Docuseries S4 filming ongoing

Q4'29 (OCT - DEC)

- 31) Velocity Gala – Las Vegas GP – November
- 32) Docuseries S4 drops on Amazon/YouTube – Late November
- 33) Membership perks ramp up (holiday bundle offers) – December

Q2'29 (APR - JUN)

- 28) Early access experiences begin – April to June, bundled with major races

Q4'28 (OCT - DEC)

- 25) Final Test Drive Weekend push – October
- 26) Helmet merch drops are bundled with team/store holiday promos

Q1'29 (JAN - MAR)

- 27) Cadillac Racing Club launch – February, tied to pre-season excitement

Q1'28 (JAN - MAR)

- 18) Fan Helmet Design Challenge launches – January, open for global entries
- 19) Mobile app soft launch (beta) – February

Q3'28 (JUL - SEP)

- 23) Real-time race updates & digital engagement scaling
- 24) VIP Test Drive Weekends (EV-focused) – August and September (good off-race weekend opportunities)

Q2'28 (APR - JUN)

- 20) Helmet challenge winners + merch drop – Around Monaco GP
- 21) App: Full rollout – April/May
- 22) Gamified telemetry + behind-the-scenes content – Integrated from Miami GP onward

Q4'27 (OCT - DEC)

- 16) PitBox – NYC (Fashion Week: September)
- 17) Sponsored activations + high-end merch: Timed for fall GP or US-based fashion season

Q2'30 (APR - JUN)

- 36) Esports Series – Qualifiers begin – April–June
- 37) Experience Centres soft launch – April–May

Q3'30 (JUL - SEP)

- 38) Fan-voted Esports championship event – August
- 39) Full Experience Centre programming during the summer travel season

Q4'30 (OCT - DEC)

- 40) 'Ten Years to Win' global campaign – November–December, spanning season finale and year-end holidays
- 41) Esports recap + final monetization cycle

These activations, from celebrity-led hospitality and docuseries storytelling to urban design labs and esports racing, offer Cadillac not only audience expansion but also cultural credibility.



Conclusion and Strategic Justification

Cadillac's marketing plan is not an isolated effort but a synchronised movement aimed at reshaping its global image through strategic convergence. The F1 team will become the brand's beacon of high-performance credibility, while the road cars will deliver the tangible experience of that promise. These activations, from celebrity-led hospitality and docuseries storytelling to urban design labs and esports racing, offer Cadillac not only audience expansion but also cultural credibility.

Through these efforts, Cadillac isn't merely participating in F1 or launching new vehicles. It is developing a brand revival rooted in performance, exclusivity, and emotion. The estimated \$2.32 billion in annual revenue by 2030 (from both verticals) is not merely a financial ambition, but a calculated outcome driven by brand equity, innovation, and cultural relevance. With celebrity influence, experiential engagement, and authentic storytelling, Cadillac can redefine what it means to be a luxury-performance brand in the 21st century.

8. Recommendations & Conclusion

Cadillac's entry into Formula 1 can transform it from a nostalgic luxury brand into GM's performance leader. By drawing inspiration from the Corvette C8, Cadillac gains credibility, and by tying its brand to F1 innovation and storytelling, it can tap into new markets. GM should consolidate all performance innovation under Cadillac, making it synonymous with cutting-edge engineering, motorsport, and electrified performance.

To increase its presence in the European market and leverage its participation in the pinnacle of motorsport, our recommendations for Cadillac are as follows:

- Cadillac needs to disrupt the current Formula One scene to create its own space in the ecosystem. Fans are used to seeing 10 teams on the grid, so why should fans support Cadillac in their quest for glory? They need to market themselves as something never seen before in the world of Formula One. In addition, signing a well-known and well-liked driver to their team may also help in this quest.
- Utilise this entry into Formula One, as well as a more disruptive and unique type of team marketing, to create a more recognisable "name" in Europe. This can be achieved through "out-of-the-box" activations, marketing, and content, as well as by adopting some of the strategies used by other constructors, such as Mercedes or Red Bull. However, this positioning needs to be done while maintaining the motto and idea of "American Heritage" to achieve a coherent brand positioning.
- Start by using Ferrari-powered engines during the first years, but to become an independent manufacturer and develop their engines and tech for future cars. Set up operations in Europe to not only counter and diversify the risks (such as Donald Trump's tariffs), but also to promote the vehicle within the industry on the Old Continent.

- After achieving better brand recognition and positioning, introduce the new line of cars featuring F1-powered technology as a new revenue stream. Have these cars be produced in both Europe and the United States, and market them as the ultra-luxurious car of the brand.

This paper examines the current Formula One scene, including the teams and their activations and marketing strategies. It presents two case studies: one of a team (Mercedes) and one of a Grand Prix (Miami GP), to illustrate some of the actions that Cadillac can take to achieve success in the sport. Later, the document outlines the strategic analyses critical to this specific entry into Formula One, while considering the current strengths, weaknesses, opportunities, and threats associated with this move. It then uses these analyses to create a business model for a future new line that stems from Cadillac's entry into Formula One, examining the initial finances for both the endeavour and the entry into Formula One itself. Finally, the paper discusses the strategic implications not only for entering the sport but also for positioning the brand and benefiting from this position through the introduction of a new line of cars. Finally, it concludes with the final recommendations necessary to achieve the project's realisation.

We believe that, despite its current outdated position, Cadillac has a rich history from which it can draw and build. It can join the pinnacle of motorsport and utilise the entry not only as a new source of revenue, but also to power a new line of cars, which will in turn improve the brand image. Hopefully, this project helps provide guidelines on how to capitalise on all the potential that this iconic car brand has and reinstate its claim on the Old Continent.

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Appendices

Appendix A: Commercial Strategy of Formula 1 Group

The Formula One Group has employed a multi-faceted strategy to popularize the sport globally, with a significant focus on enhancing fan engagement, expanding the race calendar, strengthening partnerships, and improving the sport's accessibility and appeal.

Global Popularization Strategy:

- **Improving the Sport on Track:** This includes approving new technical, sporting, and financial regulations, effective from 2021, aimed at promoting closer racing, more balanced competition, and economic sustainability (Liberty Media Corporation, 2019). Efforts are also being made to improve tracks for racing. The introduction of a cost cap and more equitable prize distribution are part of making the business healthier for all involved (Liberty Media Corporation, 2021). There is a focus on agreeing on future power unit regulations that incorporate sustainable fuels. The competitive racing itself, with established leaders and rising stars, including fierce competition in the midfield, is seen as driving excitement (Liberty Media Corporation, 2020). Changes in 2022 included new cars and regulations designed to energize competition and improve on-track action (Liberty Media Corporation, 2022). The 2024 season has seen a highly competitive championship with multiple race winners (Liberty Media Corporation, 2024).
- **Increasing Fan Engagement:**
 - **Digital and Social Media:** F1 has heavily focused on growing its presence and engagement on digital and social platforms (Liberty Media Corporation, 2018). F1 is noted as the fastest-growing sports league in social followers (Liberty Media Corporation, 2020) and has the highest growth of any sport in social engagement (Liberty Media Corporation, 2021). They are leveraging data and customer insight to tailor fan outreach, improve experiences, and create content (Liberty Media Corporation, 2023).

- **Content Creation and Distribution:** This involves launching and growing the OTT service F1 TV, offering additional camera angles, enhanced data, and an archive of historical races. They aim to create and curate the best content. There is a strong response to their video offerings. Key content initiatives include the Netflix mini-series 'Drive to Survive', a Twitter live show, the 'Beyond the Grid' podcast, and a branded content series (Liberty Media Corporation, 2018). 'Drive to Survive' is specifically credited with attracting new fans and becoming a gateway into F1, driving behavioural shifts and attracting a younger, more female demographic. An Apple F1 movie is also being produced, hoping to grow in popularity (Liberty Media Corporation, 2024).
- **Events and Experiences:** The strategy involves turning race events into spectacles. This includes building pre-race hype through Fan Festivals and expanding activities around events like fan zones, hot laps, and MIT events (Liberty Media Corporation, 2019). Elevating merchandise through partnerships like Fanatics is also a component. F1 Experiences leverage the sport's IP for high-end hospitality and travel solutions, bringing fans closer to the sport and driving new revenue. Betting offerings and Esports competitions are also used to engage fans. New initiatives like F1 Exhibition and F1 Arcade are also being launched (Liberty Media Corporation, 2024).
- **Expanding the Race Calendar:** F1 has announced and added new races in various locations like Vietnam, Netherlands, Qatar, Saudi Arabia, and Miami. The calendar has grown to a record 22, 23, and now 24 races. There is high demand from host countries to hold Grands Prix, and new deals, such as for Madrid starting in 2026, are being signed (Liberty Media Corporation, 2024). There is also interest from some countries in Africa, such as Rwanda and South Africa, to bring a race to the continent. This also serves as an opportunity for increasing the number of fans in these areas of the globe.
- **Strengthening Partnerships:** Renewing key contracts with promoters, sponsors, and broadcast partners is essential. F1 has announced new sponsorship agreements with major brands like AWS, ISG, LVMH, Lenovo, American

- **Strong Fan Growth and Engagement Metrics:** The US market has shown significant growth in viewership (average audience per race +125% vs. 2018, 1.2m avg. viewers in 2024) and race attendance, with records set at the US GP in Austin and sold-out events in Miami and Canada. About two-thirds of US GP attendees in 2021 were first-time attendees, and half of US fans started following F1 in the last four years. The US is also the fastest-growing market for F1 on social media and the largest market in F1's database, with strong growth.
- **US Team Entry:** The confirmed entry of General Motors with the Cadillac brand as the 11th team in 2026 is a major strategic move, specifically for the US market. This US-based team, headquartered in the US, plans to eventually build its engine in the US by the end of the decade. This adds a local point of connection for American fans, brings a prestigious US brand into the sport, and may include US drivers. The involvement of racing legend Mario Andretti as a director is also intended to resonate with the American public. This was seen by F1 as adding significant value and interest.
- **Comparison and Contrast:**
- **Similarities:** Both global and US strategies share core components like **enhancing digital engagement** (F1 TV, social media), **leveraging compelling content** ('Drive to Survive'), and **expanding the calendar** with high-profile events. The focus on **attracting younger and female fans** is a global priority that has seen significant success in the US market.
- **Contrast/US Specific Focus:** The US strategy is distinguished by several unique elements:
 - **Concentrated Race Expansion:** Instead of adding single races in disparate locations globally, the US strategy specifically involved establishing **multiple events in major, distinct US markets** (Austin, Miami, Las Vegas).
 - **Emphasis on US Talent/Brands:** The most notable difference is the **entry of a US team backed by a major US automaker (Cadillac/GM)**, with plans for a US engine program and potential US drivers. This provides a direct national connection for fans that the global strategy doesn't inherently offer.

- **Targeted Media Landscape:** While global broadcast deals are key, the US strategy specifically involves navigating and leveraging the unique **US media environment**, including ESPN, potential streaming partners, and integrated platforms like SiriusXM/Pandora.
- **Specific Demographic and Growth Focus:** The US market is highlighted as a **leading driver of global fan growth**, particularly among younger and female demographics, and specific metrics are provided demonstrating this success. The strategy explicitly recognizes that half of US fans are new in recent years, largely attributed to initiatives like 'Drive to Survive'.
- In essence, the global strategy builds a broad foundation through sporting regulations, international partnerships, and diverse content, while the US strategy aggressively targets the market with multiple events, leverages US media consumption habits, utilizes US-centric content like 'Drive to Survive', and crucially, introduces a US team and brand to provide a direct national connection for fans.

Appendix B: Comparative study of F1 teams' marketing strategy

Below is a comparative study of the current Formula One teams and how their marketing strategies stand:

Haas:

Haas is one of the least followed brands on Social Media, and also one of the teams that have found less success on track. Back of the grid, they are usually disregarded as contenders for the Constructors' championship. This is the American brand in Formula One, and they like to build on this idea of patriotism. They communicate with the fandom through normal social media such as Instagram, TikTok and Twitter, but also through a Youtube channel, where the team posts regularly - at least once a week - a little recap if it was a race week - "Haas Unfiltered" -, or simple challenges such as "Taskmaster" where the drivers - Esteban Ocon and Oliver Bearman - compete in a friendly manner. The engagement these videos have can range from 10,000 views to 50,000 views, with the launch of the new car having racked up 110,000 views. The YouTube channel currently has around 143,000 subscribers.

Another way in which Haas interacts with its fans is through other well known digital channels, such as Spotify, where one of the drivers shared a personalized race week playlist, creating another way in which to activate with partners - in this case, Play'n Go Music - and make fans engage with the content produced.

Williams:

Williams is one of the oldest teams on the grid. It was the last team to be privately owned, belonging to the Williams family, until Dorilton Capital acquired it. In the past few years, when the team was privately owned, it struggled to deliver a competitive car due to limited funding. For the past years, however, they have been able to improve the car and the team's standing. Currently, it is considered a midfield team, and they have gathered more points in the 2025 season than in the last three seasons combined (Williams, 2025). It has also been able to get better drivers, and currently has a lineup of well-known drivers who have driven for top teams (Red Bull and Ferrari), which helps in terms of increasing the number of followers of the team's social media. Currently, their YouTube channel has 450,000 followers, and the videos average between 40,000 and 300,000 views, with an average of two videos per week. The content varies from a podcast featuring drivers, such as "Team Torque," to conversations with other drivers and famous people, including Lando Norris and Tom Brady, over the last month, or a post-race debrief with the team principal, "The Vowels' Verdict." Overall, this team effectively utilises the driver's likability and the relationships they have within the grid to create content that fans appreciate, and even captures views from fans of other teams.

Aston Martin:

Aston Martin returned to F1 in 2021, following its acquisition of the former Racing Point team. This is a team that, contrary to what Cadillac should try to do, was already well-positioned in the luxury market, and not one that needed the positioning that F1 brings. This is a legendary brand associated with British wealth and even the James Bond franchise. They are a mid-to-top table team, featuring in their driver lineup one former World Champion, Fernando Alonso, and Lance Stroll. Their YouTube channel has around 286k followers, and they do not consistently publish content, with one video per month and focused less on the daily life of the team, and more on showing collections with partners, or one-time events, such as the first of Adrian Newey in Aston Martin.

McLaren:

McLaren is, at the moment, one of the strongest teams on the paddock. It has a long-standing tradition in Formula 1, dating back to 1966, and is one of the oldest active teams in the sport. It last found great success almost 20 years ago, when Lewis Hamilton won the last Driver's Championship title in 2008. Since then, the team faltered in the middle of the pack, until the last two seasons, when McLaren showed its previous dominance and why it is a team full of trophies and glory. In the 2024 season, the team won the Constructors' championship, and this season, the fight for the driver's championship includes both McLaren drivers.

Many admit that this team has found their success back after starting the most partnerships within the paddock, boasting over 50 partners. This has allowed the brand to invest more money in the construction of a faster car. In turn, the addition of Lando Norris, a charismatic driver, to their lineup in 2019. As a content creator himself, Norris has been able to attract younger fans to McLaren. His relationship with other drivers, such as Carlos Sainz, Max Verstappen, Alex Albon, and George Russell, has led to good content and sympathy towards the team.

Currently, the team has around 1.37 million subscribers on their YouTube channel, with two monthly videos that rack up between 20,000 and 200,000 views, depending on the content. McLaren's posting schedule on YouTube is inconsistent, with sparse videos of sponsorship commitments and big announcements. YouTube has lost importance in McLaren's social media presence lately. This is tied to F1's newly imposed restrictions on what content F1 teams are allowed to post on their channels, as a majority of McLaren's earlier YouTube content heavily featured the goings-on of the F1 paddock as part of their Unboxed series.

Sauber:

The famous Swiss team takes its name from Peter Sauber, who entered the world of Formula One with his team in 1993. Despite a brief period of BMW ownership, the team has established itself as a mainstay of the grid, developing a reputation for not only producing competitive cars but also nurturing young drivers. This appears to align with Sauber's YouTube strategy, which focuses primarily on their new driver, Gabriel Bortoleto, through a series of videos released every two to three weeks, titled "Rookie5". The team currently has 145,000 subscribers on their YouTube channel, with views ranging from 1,000 to 20,000. Audi will acquire the team in the next season, so likely, they are not trying to spend many resources on building a strong brand position, especially since the team's name will change. It seems that their strategy is more focused on the presence of hopefully long-term drivers, such as Bortoleto, that can bring fans to the team once the name has changed.

Alpine:

The Alpine F1 team, formerly known as the Renault F1 team, was rebranded in 2021 to promote Renault's sports car brand Alpine. One of only three works teams on the grid, Alpine will become a Mercedes customer team from 2026, following Renault's announcement that it will discontinue its engine programme after the 2025 season. The team won 2 drivers and constructors' titles in 2005 and 2006.

Alpine has 8.7 million followers on social media and does not have a dedicated YouTube channel. The team uses the Alpine brand YouTube channel to post videos, but it is not a platform they utilise much. They achieve excellent engagement on their Instagram account, with posts averaging 137,000 likes. Alpine participates in numerous videos on F1's official YouTube channel and reaches out to the sports fandom through F1 on YouTube. On their channels, Alpine focuses on the drivers' personalities, fan interactions, and content related to the races. The team also shines a light on its French Heritage and interacts with numerous French celebrities and athletes.

Mercedes:

Mercedes-Benz has a long-standing relationship with Formula One and is one of the most successful F1 teams in the history of the sport. Nicknamed “the silver arrows”, Mercedes won 7 consecutive drivers’ titles and eight straight constructors’ titles from 2014 to 2021. Mercedes is also the second most successful engine manufacturer in F1, with over 200 wins featuring Mercedes engines. Mercedes boasts a following of 27.2 million followers across Instagram, TikTok and X, behind only Ferrari. They also have 1.5 million subscribers on their YouTube channel, where they post a wide range of content, including their signature race debriefs after every F1 race.

Mercedes has positioned itself as one of the most technically brilliant teams in F1, and their content reflects this. They have a series called ‘F1 Uncovered’ where they explain complex technical aspects of their F1 cars to the audience in simple terms. They also highlight the technological innovations they have made through their involvement in F1 and incorporate their latest road cars into videos featuring the team’s drivers. This helps Mercedes garner a lot of attention for their road cars, with videos receiving 150,000 to 2.5 million views. They also bring a lot of attention to their employees, conducting short interviews that highlight what their jobs entail, how they started working with the team, and their experiences.

Ferrari:

Scuderia Ferrari, also called “the prancing horse”, is the oldest and most successful F1 team in history, having competed in every championship since 1950. Ferrari boasts a record 16 constructors’ titles and 15 drivers’ titles to its name. Ferrari is a team that has fully ingrained its racing heritage with its road car brand. Every Ferrari driver, regardless of the racing series in which they compete, drives Ferrari cars outside of racing, serving as ambassadors for the brand. Ferrari, known for restricting buyers from customising their road cars, has gifted their recent drivers Charles Leclerc and Carlos Sainz fully customised Ferrari cars.

As for social media, Ferrari is the most followed F1 team. Given how well integrated the brand and its racing legacy are, Ferrari does not have separate YouTube and TikTok accounts for its F1 team, road cars and other racing endeavours. Instead, Ferrari has a single account where it posts about everything related to Ferrari. On Ferrari’s YouTube channel, specifically for F1, the video views range from 75,000 for their Full Access series, covering behind-the-scenes footage of race weekends, to 2 million for creative videos featuring their drivers, such as the C2 Challenges. Ferrari’s videos about their road cars are also quite popular, receiving an average of about 150,000 views.

Racing Bulls:

Racing Bulls, formerly known as Toro Rosso and Alpha Tauri, is the second F1 team owned by Red Bull GMBH. Red Bull acquired Minardi in 2006 and rebranded it as Scuderia Toro Rosso, forming the junior team to Red Bull Racing. The team is known for developing future Red Bull talent, with drivers such as Sebastian Vettel, Max Verstappen, Daniel Ricciardo, and Yuki Tsunoda all making their F1 debuts with the team before being promoted to Red Bull Racing. Racing Bulls has a decent social media following of 6.7 million. It is a youth team that promotes young drivers from their talent pool to F1, competing in F1’s feeder series. This has also enabled the team to garner one of the youngest fan bases. The team’s marketing content is often interlinked with Red Bull Racing, with both teams typically collaborating on videos, challenges, and activations featuring all four F1 drivers from the Red Bull family. Racing Bull’s content is often youth-focused and more lighthearted. They also strive to showcase their drivers’ personalities in their content. Their YouTube channel has 392k subscribers, and they post a video weekly.

Red Bull:

The marketing behemoth entered Formula One in 2005 when it acquired the Jaguar Racing team and renamed it Red Bull Racing. Since its inception, Red Bull has been more successful from the outset compared to many of its recent predecessors, with numerous points-scoring finishes and occasional podiums. The team has experienced two periods of great success, winning four consecutive drivers' and constructors' titles from 2010 to 2013 with Renault engines, and four straight drivers' titles and two constructors' titles from 2021 to 2024 with Honda engines.

Red Bull is the fourth most-followed F1 team, with 24.7 million followers across Instagram, TikTok, and X. It also has a strong presence on YouTube, boasting 2.2 million subscribers and views ranging from 75,000 to 1.3 million. Red Bull, as a brand, is very active in the sports world and has sponsorships in almost every sport imaginable. Red Bull regularly utilises its network of athletes to do crossover content across different sports. This helps the team access new audiences and widen its reach. Red Bull Racing's marketing is the most creative, unique and innovative across the paddock. They consistently try to challenge what is possible to do with an F1 car and then go and do it. From doing a pit stop in zero gravity to drag racing a plane flying upside down, you genuinely don't know what might come next. Red Bull also engages in extensive city-based marketing, such as organising showruns —a staple of Red Bull that has inspired other teams to follow suit.

For a showrun, Red Bull invites past and present Red Bull F1 drivers to drive F1 cars in central areas of a city. It's a large-scale, often ticketed event where people can engage in a variety of activities, such as meet-and-greets, driving simulators, and competing in challenges.

Appendix C: PESTLE Analysis

a. Political Situation

1. Complex Geopolitical Backdrop - In 2025, US President Donald Trump re-imposed a 25% tariff on imported automobiles and certain automotive components to the United States. The policy is aimed at reviving domestic manufacturing which reverberates throughout global supply chains. For the Cadillac F1 Team, any cars, parts or technologies sourced from outside US borders will face higher import duties if shipped into America for development or display. This creates pressure to localize assembly of key components, particularly engines and carbon-fiber chassis elements, to avoid punitive levies, potentially reshaping the team's factory footprint and partnerships. The team has two main factories - in the US and UK. The Cadillac F1 Team can mitigate some tariffs by manufacturing in the UK factory. However, any F1 technology Cadillac imports for their road vehicles will be under the purview of the tariffs.

2. International Political Dynamics - The Fédération Internationale de l'Automobile (FIA) sits in Geneva but is sensitive to host-country politics; tensions between the US and China over tariffs on high-tech goods risk spillover into motorsport arenas. China's burgeoning domestic motorsport market and its government's heavy subsidization of electric vehicles could see it push for Chinese sponsors, complicating Cadillac's leverage for visibility in Asia. Cadillac's lobbyists need to highlight the brand's global heritage and GM's longstanding European operations under Opel/Vauxhall. Liberty Media's strong interest in F1's expansion into the United States works in Cadillac's favour but recent disagreements and conflicts between the FOM and FIA might cause problems.

3. Regional Politics - Strong anti-car and environmental-concerned constituencies in major US cities like Miami and Las Vegas that host F1 races themselves make it important for Cadillac to frame its presence as socially beneficial and technologically progressive.

Cadillac needs to turn any political headwinds into strategic platforms by localizing key manufacturing, securing federal R&D incentives and navigating FIA governance.

b. Economic Situation

1. High Initial Investments - Developing a competitive F1 team requires capital expenditure spanning wind-tunnel time, power unit R&D, a global logistics network, and driver and engineering salaries. Currently every imported composite panel, bespoke gearbox module or hybrid energy recovery unit shipped into the US for development will be subject to a 25% tariff unless sourced domestically, inflating costs unless supply chains are restructured. This compels Cadillac to repatriate certain high-value processes such as carbon-fiber layup and final engine assembly to North America. While this may qualify for federal tax credits on advanced manufacturing, it also demands significant factory updates. GM will need to weigh the capital outlay for new clean-room assembly lines and engine dyno cells against the recurring tariff savings. Economically, this “reshoring” strategy could pay for itself over several seasons if it avoids a cumulative 25% surcharge and attracts local incentives.
2. Operational Costs - Freight by air is costly due to high shipping container rates worldwide. The team can mitigate this through pre-shipment of important logistics via sea, requiring precise inventory forecasting to avoid stockouts. This is a common tactic employed by all current F1 teams for far away races. This drives up working capital needs: Cadillac must finance larger inventories in advance, tying up cash that could otherwise fund R&D. FX risk compounds these pressures. As a US-based entity spending Euros, Pounds and CAD, economic strategies will need to be robust to protect operating budgets from currency volatility.

c. Social Situation

1. Brand Perception - In the US, Cadillac historically represented 'old-world' luxury with its chrome grilles and V8 power. However, it has struggled to connect with younger, digitally native consumers seeking performance and eco-credentials. F1 engagement offers a pathway to revitalize Cadillac's image. Socially, aligning the brand with F1's youth-oriented activations, innovative digital content, e-sports tie-ins, and track-side fan festivals can help bridge the gap. Cadillac's social media teams must craft localized campaigns: behind-the-scenes content showcasing American engineers and driver stories that resonate with diverse demographics.
2. Social Acceptance - Cadillac will have to maintain a politically neutral stance in marketing communications, focusing on technological innovation and human stories rather than governmental endorsements. In Europe, F1 fans may initially view Cadillac as an American upstart. The team's demographic outreach must be personalised to local tastes, leveraging motorsport influencers and ex-driver ambassadors to build credibility. In Asia, where F1 viewership has surged in China and India, Cadillac can collaborate with local motorsport series and college racing teams to foster grassroots support, aligning with the social trend of experiential marketing among affluent millennials.
3. Diversity, Equity and Inclusion Initiatives - GM's global workforce is more diverse than in prior decades, but the motorsport engineering talent pool remains predominantly male and European. Cadillac should invest in STEM outreach through scholarships for under-represented engineering students, internships at the race factory, and partnerships with organizations like the FIA's Girls on Track program and the F1 Academy. Socially, these initiatives will bolster Cadillac's reputation as a progressive, inclusive employer and engender goodwill among fans.

d. Technological Situation

1. Power Unit - The current F1 power units have a 1.6 liter 90-degree turbocharged V6 engine with an 80-mm bore and 53mm stroke with two electric motor generator units (MGU-K and MGU-H), recovering kinetic and heat energy to boost performance and efficiency. While initially Cadillac is partnering with Ferrari to purchase their engines, by 2029 Cadillac will partner with GM's Performance Division to develop a bespoke F1 power unit capable of matching established suppliers like Mercedes and Ferrari. This requires building new test cells and high-precision machining facilities
2. Material Innovation - F1 teams use increasingly exotic composites such as high-modulus carbon fibers, thermoplastic resins, and nano-engineered coatings to maximize strength-to-weight ratios. Cadillac's materials labs will need to collaborate with academic partners and suppliers like Solvay, Toray etc. to co-develop lightweight bodywork that can later inform Cadillac road cars, particularly EVs where weight savings are crucial to range.

e. Legal Situation

1. Sporting Laws - The FIA's Sporting and Technical Regulations for 2026 lay out strict homologation procedures, cost-cap rules (€140 million per season, excluding driver salaries and marketing), and sustainability mandates (100% sustainable fuels). Cadillac also needs to engage in the Concorde Agreement negotiations between all F1 teams, the FIA, and FOM that governs revenue-sharing, governance votes, and media rights. Precedent teams like Haas and Williams have faced years of back and forth over voting rights and budget adjustments. While Cadillac's financial position gives it leverage, it needs to work together with the other F1 teams to ensure equitable terms, ensuring a fair percentage of prize funds, sponsorship revenues, and archival royalties.
2. Intellectual Property Management - F1 innovations like engine maps, aerodynamic appendages, and data-analysis algorithms are among GM's most valuable trade secrets. Cadillac must implement stringent non-disclosure agreements with technical partners, consultants and personnel, including drivers, to prevent information leaks, employ digital rights management on CAD files and restrict physical access to sensitive areas. Cadillac's sharing of technology with other teams or joint-venture arrangements must be structured carefully to avoid collusion allegations.

f. Environmental Situation

1. Sustainable Fuels - The 2026 regulations mandate a 100% sustainable fuel supplied by an FIA-approved provider. Cadillac needs to work with fuel companies to co-develop a fuel that meets its performance and emissions criteria. Integrating this fuel into the F1 power unit will not only demonstrate commitment to carbon reduction but also generate data applicable to GM's broader roll-out of e-fuel compatibility across its ICE fleet, extending the environmental impact beyond the racetrack.
2. Emission Reduction - Cadillac's logistics plan must quantify cradle-to-grave CO₂ emissions for every component. This involves conducting life-cycle assessments (LCAs) for composite materials, forging partnerships with steel and aluminum suppliers who track Scope 3 emissions, and insisting on renewable-energy-powered manufacturing facilities. The team's freight operations, hospitality units, and paddock power generation usually rely on diesel generators and long-haul trucking. To minimize impact, Cadillac can invest in electric logistics vehicles or hydrogen-fuel-cell generators for hospitality, installing battery storage at its facilities and recharging via renewables.
3. Waste Minimisation - Single-use plastics, coolant disposal, and composite debris must be systematically reduced. Cadillac can align with F1's "WasteTrack" programme to provide transparent metrics to stakeholders and fans via real-time dashboards.

Appendix D: SWOT Analysis

Strengths

1. Backing by General Motors (GM):

As one of the world's largest and most influential automotive manufacturers, General Motors (GM) offers Cadillac a formidable competitive advantage in its entry into Formula 1. GM's global scale enables access to vast financial resources that are essential to support the massive R&D costs, logistics, and infrastructure investments required to compete at the highest level of motorsport. Beyond capital, GM brings decades of engineering excellence and innovation, particularly in electrification, software integration, advanced manufacturing and proven technology (Corvette C8, Ultium battery platform). These competencies are highly relevant as F1 shifts toward greater sustainability and hybridization under the new 2026 power unit regulations (Formula 1, 2024). Moreover, GM's expansive global supply chain and strategic partnerships can streamline component sourcing and production timelines, ensuring Cadillac remains agile and responsive in the sport's fast-paced environment. The association with GM also enhances Cadillac's credibility within the F1 paddock and among consumers, providing a solid foundation for the brand's repositioning as a legitimate high-performance competitor on a global scale.

2. Strategic Partnership with Ferrari:

The multi-year agreement with Ferrari ensures that Cadillac's F1 team will have access to proven and competitive power units and gearboxes for the initial seasons. While GM develops its own power units, it will be beneficial for them to have it only for 2029 as there's a lot of uncertainty surrounding F1's future engine formula (The Athletic, 2025) and in the meantime they will figure out what type of technology they must focus on while relying on one of the best equipment manufacturers in the competition which is Ferrari. This collaboration also allows Cadillac to focus on other critical aspects of team development while ensuring on-track performance.

3. Expansion of F1's American Footprint:

Cadillac's entry aligns with F1's strategic goal to increase its presence in the United States, tapping into a growing fan base and market. The official announcement was made in March of this year by FIA and Formula One Management (Formula 1, 2025), followed by another event that also reinforced F1's strategy: the extension of the Miami circuit contract until 2041 (Formula 1, 2025). Influenced by the Netflix series "Drive to Survive", the interest in motorsports has been rapidly growing and Americans are eager to see a national team winning the world championship. The only team representing the U.S in F1 is Haas and they are far from that goal, so now that Cadillac is coming to the battle, they have new reasons to dream big.

Weaknesses

1. Lack of F1 Experience:

Cadillac's lack of previous experience in Formula 1 may pose challenges in understanding the intricacies of the sport, including race strategy, car development, and regulatory compliance. Even the last team to join F1, which is Haas (also from the United States), is already competing for almost 10 years now, so it won't be easy for Cadillac. This lack of experience can also impact negatively in their drivers acquisition, as they are going to face fierce competition for the best ones and these professionals sometimes prefer to choose teams with proven track-record, something that Cadillac has in other motorsports modalities, but not in F1.

2. Risk of U.S.-Centric Branding in a Global Sport:

While Cadillac's American heritage offers a strong narrative in the context of Formula 1's growing popularity in the United States, the global nature of F1 demands a broader cultural and market-sensitive approach. Overemphasis on U.S.-centric themes such as national pride, domestic performance benchmarks, or local celebrity endorsements may resonate with American fans but risk alienating audiences in other continents where motorsport carries different emotional and historical significance as well as deep-rooted traditions in F1.

3. Brand Transition Challenges:

Transitioning Cadillac from a brand historically known for luxury, comfort, and traditional American prestige to one that is associated with high-performance motorsport presents a substantial branding challenge. While Cadillac has made strides in recent years with its V-Series performance line, it still lacks the motorsport pedigree of European rivals, such as Ferrari and Mercedes-AMG. As a result, reshaping consumer perceptions will require sustained and strategic marketing efforts that emphasise engineering excellence, speed, innovation, and competition. This includes not only leveraging F1 visibility but also aligning product development, brand messaging, and customer engagement to reinforce Cadillac's new performance identity. Furthermore, the brand must balance its existing reputation for luxury with the aggressive, cutting-edge image that motorsport conveys, bringing a consistent and compelling narrative that connects Cadillac's F1 involvement to its consumer vehicles.

Opportunities

1. Technological Innovation and Transfer:

Participation in Formula 1 serves as a dynamic testing ground for cutting-edge automotive technologies, offering Cadillac the opportunity to accelerate innovation in areas such as hybrid powertrains, advanced materials and lightweight design. With the 2026 F1 regulations emphasizing increased electrical power and the use of 100% sustainable fuels, the sport's technical direction aligns closely with the broader transformation of the global automotive industry. By competing under these conditions, Cadillac can develop and refine performance-driven solutions that directly support the evolution of its electric and hybrid consumer vehicles.

2. Talent Acquisition and Development:

Establishing a Formula 1 team offers Cadillac a unique platform to recruit, develop, and retain top-tier talent across engineering, operations, data science, and motorsport management. F1 is widely regarded as the pinnacle of automotive and technological performance, attracting some of the most skilled professionals in the world, from aerodynamicists and powertrain engineers to software developers and strategists. By entering the sport, Cadillac positions itself as an attractive destination for this elite talent pool, many of whom thrive in high-pressure, innovation-driven environments. Moreover, the development of proprietary power units by 2029 will require the creation of a dedicated technical hub, likely fostering cross-functional collaboration between GM's motorsport division and its consumer R&D teams.

3. Enhanced Global Visibility:

Formula 1's expansive global footprint presents Cadillac with a powerful platform to elevate its brand visibility and reposition itself as a contender in the high-performance automotive segment. With races held across five continents and broadcast in numerous countries, F1 offers unmatched exposure to a diverse and affluent audience. This global stage allows Cadillac to transcend its traditional identity as a North American luxury brand and introduce its performance capabilities to key international markets such as Europe, the Middle East, and Asia, regions where brands from the Old Continent currently dominate consumer mindshare. The prestige associated with F1 participation also reinforces Cadillac's aspirational appeal, associating the brand with speed, innovation, and elite engineering. When strategically leveraged, this visibility can open the door to expanded dealership networks, new customer segments, and cross-industry partnerships, while also enhancing Cadillac's resonance with younger, performance-oriented consumers.

Threats

1. Intense Competition:

Formula 1 is one of the most competitive and technologically advanced sports in the world, dominated by teams with decades of accumulated knowledge, engineering infrastructure, and racing expertise. Iconic constructors such as Mercedes, Red Bull Racing, and Ferrari have not only built winning cultures but also established deep-rooted ecosystems of talent, data, and continuous development. New entrants like Cadillac face the hard task of catching up with these successful operations, many of which have optimised every aspect of race execution, from aerodynamics and power unit integration to pit stop strategy and data analytics. Even recent entries backed by major automotive giants, such as Aston Martin or Alpine, have struggled to break into the top tier despite significant investment consistently. As a result, Cadillac must prepare for a multi-year development curve, where early results may not fully reflect the team's potential.

2. Regulatory and Technical Challenges:

Formula 1 operates within a highly complex and constantly evolving regulatory framework governed by the FIA (Fédération Internationale de l'Automobile). These regulations encompass every aspect of car design, engineering, safety, power unit specifications, sustainability targets, and cost caps. For a new entrant like Cadillac, which lacks recent F1 operational experience, navigating these intricate rules presents a steep learning curve. Even minor misinterpretations or delayed adaptations to new technical directives can lead to costly penalties, disqualification from race results, or a loss of competitive advantage on the track. The 2026 regulation changes, which include a shift toward greater reliance on electrical power and 100% sustainable fuels, will demand cutting-edge engineering and a deep understanding of hybrid powertrain integration. Additionally, adhering to the financial cost cap while investing in R&D and team infrastructure will require careful strategic planning and financial discipline. Cadillac must build a team capable of rapidly interpreting, implementing, and innovating within this strict regulatory environment - failure to do so could severely limit its performance and credibility in the sport.

3. Economic Uncertainty:

Global economic volatility poses a significant external threat to Cadillac's long-term viability in Formula 1. Recessions, inflationary pressures and geopolitical instability can lead to reduced corporate spending, which directly impacts the availability and scale of sponsorship deals, a crucial revenue stream - almost 20% - for any F1 team (NSS Sports, 2025). Additionally, fluctuations in exchange rates, interest rates, and raw material costs can increase the operational expenses of running an F1 team, especially when operating across multiple international markets. Given that F1 requires consistent and high capital investment over many seasons to yield competitive results, sustained economic headwinds could strain GM's financial commitment or prompt cost-cutting measures that affect team performance.

4. Unstable FIA:

Mohammed Ben Sulayem, FIA's president, has had controversial times ahead of the entity. Since the end of 2021 - when he took over as president - the world has seen a series of senior resignations at the FIA (Sky Sports, 2025), the most recent one being Robert Reid's exit, who was the deputy president for sport. His departure in April of 2025 was justified by the "fundamental breakdown in governance standards" according to his own words (NY Times, 2025). This feeling is also shared by UK's motorsport federation boss David Richards and even the drivers are demonstrating sadness with all this situation going on, as George Russel, Mercedes racer and one of the key spokespeople for the drivers on the grid, said that the teams, F1 and FIA should come to a common ground. Although F1 has been very successful in the promotion of the sport, increase of revenues etc., the relationship between them and the world motorsport's governing body needs to be settled.



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